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SHELF PLACEMENT MEMORANDUM

(THIS SHELF PLACEMENT MEMORANDUM IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC GENERALLY TO SUBSCRIBE FOR OR OTHERWISE ACQUIRE THE DEBENTURES TO BE ISSUED BY THE ISSUE. THIS SHELF PLACEMENT MEMORANDUM HAS BEEN PREPARED IN CONFORMITY WITH THE SECURITIES EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 ISSUED VIDE CIRCULAR NUMBER SEBI/LAD-NRO/GN/2021/39 DATED AUGUST 09, 2021, AS AMENDED OR UPDATED FROM TIME TO TIME, THE OPERATIONAL CIRCULAR ISSUED BY SECURITIES EXCHANGE BOARD OF INDIA VIDE CIRCULAR NUMBER SEBI/HO/DDHS/P/CIR/2021/613 DATED AUGUST 10, 2021, AS AMENDED OR UPDATED FROM TIME TO TIME, THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ISSUED VIDE CIRCULAR NO. SEBI/LAD-NRO/GN/2015-16/013 DATED SEPTEMBER 02, 2015, AS AMENDED FROM TIME TO TIME, SECTION 42 OF THE COMPANIES ACT, 2013 AND THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED FROM TIME TO TIME)

SHRIRAM FINANCE LIMITED
(Formerly Shriram Transport Finance Company Limited)

A Public Limited Company Incorporated under the Companies Act, 1956 (Registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)) and validly existing under the Companies Act, 2013
Registration Number: A-07-00459 issued by RBI **Date of Incorporation**: June 30, 1979 **Corporate Identification Number**: L65191TN1979PLC007874
Permanent Account Number: AAACS7018R **Place of Incorporation**: Chennai **Website:** www.shriramfinance.in
Registered Office: Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600032 **Tel No:** +91 44 4852 4666 **Fax:** +91 44 4852 5666
Corporate Office: Wockhardt Towers, Level - 3, West Wing, C-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
Contact Person: Mr. Parag Sharma – Joint Managing Director & CFO; **Tel**: +91 22 40959595 **E-mail**: parag@shriramfinance.in
CFO: Mr. Parag Sharma – Joint Managing Director & CFO; **Tel**: +91 22 40959595 **E-mail**: parag@shriramfinance.in
Compliance Officer/Company Secretary: Mr. U. Balasundararao, **Tel. No**.: +91 22 40959595/76, **Email**: balasundar@shriramfinance.in

Shelf Placement Memorandum
Date: 8th February, 2023 - Type of Placement Memorandum: Shelf Placement Memorandum for Private Placement
Please note that this Shelf Placement Memorandum is valid for a period of 1 (One) year from the Issue Opening Date of the first Tranche/ Series of Debentures issued pursuant to this Shelf Placement Memorandum.

ISSUE:

Shelf Placement Memorandum for issue of up to 5,00,000: (i) Secured Rated Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified), or Rs. 10,00,000 (Rupees Ten Lakh only) for ISIN's issued before 1st January, 2023 for cash, at par ("**Non-Convertible Debentures**"); and/or (ii) Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) or Rs. 10,00,000 (Rupees Ten Lakh only) for ISIN's issued before 1st January, 2023 for cash, at par ("**Market Linked Debentures**", together with the Non-Convertible Debentures, the "**Debentures**"), for an amount aggregating upto Rs. 5000,00,00,000/- (Rupees Five Thousand Crores only), on private placement basis, in multiple Series/ Tranches.

CREDIT RATING:

The captioned Issue of (a) the Non-Convertible Debentures has been rated IND AA+/Stable by India Ratings & Research and/or CRISIL AA+/Stable by CRISIL Ratings; and (b) the Market Linked Debentures has been rated CRISIL PPMLD AA+ r/STABLE by CRISIL Ratings . As per the rating letters issued by the said Rating Agencies, instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations and such instruments carry very low credit risk. Investors may please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decisions. The Rating Agencies have the right to suspend, withdraw or revise the rating / outlook assigned to the Issue at any time, on the basis of new information or unavailability of information or other circumstances which the rating agency believes may have an impact on the rating. Please refer to **Annexure IV** of this Shelf Placement Memorandum for the rating letters, dated 27 January 2023 and 30 January 2023 obtained from the said Rating Agencies.

The Issuer hereby declares the aforesaid credit rating obtained by it in relation to the Debentures shall be valid on the date of Issue and on the date of listing of Debentures.

LISTING:

The Debentures to be issued under each Tranche/ Series are proposed to be listed on the Wholesale Debt Market (WDM) segment of the BSE Limited ("**BSE**"). Please refer to **Annexure III** of this Shelf Placement Memorandum for a copy of the in-principle approval letter dated 06 February, 2023 issued by BSE.

Further, the Issuer has maintained the Recovery Expense Fund with the BSE Limited (Please refer to the '**Summary Term Sheet**' for more details).

Details of Debenture Trustee	Details of Registrar to Issue	Details of Rating Agency	
Catalyst Trusteeship Limited	**Integrated Registry Management Services Private Limited**	**CRISIL Ratings**	**INDIA Ratings**

Registered Address: GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune- 411038 **Corporate Address:** Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098	**Registered Address:** 2nd Floor, Kences Towers, 1 Ramakrishna Street North Usman Road T Nagar, Chennai- 600017 **Corporate Address:** 2nd Floor, "Kences Towers", No. 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017	**Registered Address**: CRISIL Limited: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076. India	**Registered Address**: Wockhardt Tower, Level 4, West Wing, Plot C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai MH 400051
Tel No.: 022-49220555 **Fax No.:** 022-66311776	**Tel No.:** 044-28140801 **Fax No.:** 044-28142479	Tel No.: +91 22 3342 3000 Fax No.: +91 22 4040 5800	Tel: +912240001744
Contact Person: Mr. Umesh Salvi	**Contact Person:** Ms. Anusha N	Contact Person: Ms. Meera Thakrar	Contact Person: Mr. Karan Gupta
Email: umesh.salvi@cltrustee.com **Website:** www.catalysttrustee.com	**Email:** anusha@integratedindia.in **Website:** www. integratedindia.in	Email: meera.thakrar@crisil.com Website: www.crisil.com/	Email: karan.gupta@indiaratings.co.in Website: www.indiaratings.co.in

Details of Statutory Auditors	
Sundaram & Srinivasan CHARTERED ACCOUNTANTS Offices : Chennai - Mumbai - Bangalore - Madurai	KKC & Associates LLP Chartered Accountants (Formerly Khimji Kunverji & Co LLP)
M/s. Sundaram & Srinivasan	KKC & Associates LLP (formerly known as Khimji Kunverji & Co LLP)
New No. 4, Old No. 23, C P Ramaswamy Road, Alwarpet, Chennai - 600018	Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai 400013, India
Website: www.sundaramandsrinivasan.com	Website: www.kkc.in
Email: yessendes@sundaramandsrinivasan.com Tel: +91 044- 24988762 Contact Person:	Tel: +91 22 61437333 Email- info@kkc.in Contact Person:

DETAILS OF PROMOTERS OF THE ISSUER COMPANY

Name of the Promoter	Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Ltd
Date of Incorporation	2011
Age	Not Applicable
Registered Address	Shriram House, No.4 Burkit Road, T. Nagar, Chennai- 600 017
Educational Qualification	Not Applicable
Telephone Number	044-49052500
Email Address	sect@shriram.com
Experience in the business or Employment	Since 2011 in Financial Service business
Positions/Posts held in the past	Not Applicable
Directorships held	Not Applicable
Other ventures of each promoter	SCPL is the Promoter of Shriram Investment Holding Limited, Shriram General Insurance Company Limited, and Shriram Life Insurance Company Limited
Special achievements	-
Business and Financial activities	Systemically important Core Investment Company
Photograph	Not Applicable
Permanent Accountant Number	AAPCS5667M

Name of the Promoter	Shriram Ownership Trust
Date of Incorporation	11/09/2006
Age	Not Applicable
Registered Address	3rd Floor, Shriram House, No.4 Burkit Road, T. Nagar, Chennai- 600 017
Educational Qualification	Not Applicable
Telephone Number	044-49052500
Email Address	sot@shriram.com
Experience in the business or Employment	-
Positions/Posts held in the past	Not Applicable
Directorships held	Not Applicable

Other ventures of each promoter	Shriram Chits (India) Pvt Ltd
Special achievements	-
Business and Financial activities	-
Photograph	Not Applicable
Permanent Accountant Number	AAGTS2243H

The Company/ Issuer confirms that the Permanent Account Number and Bank Account Number(s) of the Promoter and Permanent Account Number of directors have been submitted to the stock exchanges on which the Debentures are proposed to be listed, at the time of filing of the Shelf Placement Memorandum.

ISSUE SCHEDULE

ISSUE OPENING DATE/ DATE OF OPENING OF ISSUE	The Issue Opening Date with respect to each Tranche/ Series of Debentures will be identified in the relevant Supplemental Placement Memorandum to be issued with respect to relevant Tranche/ Series of Debentures.
ISSUE CLOSING DATE/ DATE OF CLOSING OF ISSUE	The Issue Closing Date with respect to each Tranche/ Series of Debentures will be identified in the relevant Supplemental Placement Memorandum to be issued with respect to relevant Tranche/ Series of Debentures.
PAY-IN DATE	The Pay-in Date with respect to each Tranche/ Series of Debentures will be identified in the relevant Supplemental Placement Memorandum to be issued with respect to relevant Tranche/ Series of Debentures.
DEEMED DATE OF ALLOTMENT	The Deemed Date of Allotment with respect to each Tranche/ Series of Debentures will be identified in the relevant Supplemental Placement Memorandum to be issued with respect to relevant Tranche/ Series of Debentures.
DATE OF EARLIEST CLOSING OF THE ISSUE	N.A.

The Issuer reserves the right to change the Issue program, including the Deemed Date of Allotment, at its sole discretion, without giving any reasons or prior notice. Debentures will be open for subscription at the commencement of banking hours and close at the close of banking hours on the dates specified in this Shelf Placement Memorandum.

ELIGIBLE INVESTORS

Nothing in this Shelf Placement Memorandum and the Supplemental Placement Memorandum shall constitute and/or deem to constitute an offer or an invitation to offer, to be made to the public or any section thereof through this Shelf Placement Memorandum and the Supplemental Placement Memorandum and this Shelf Placement Memorandum and the Supplemental Placement Memorandum and its/ their contents should not be construed to be a prospectus under the Act. The Issue is a domestic issue and is being made in India only. This Shelf Placement Memorandum and the relevant Supplemental Placement Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Company and only such recipients are eligible to apply for the Debentures. Subject to applicable law, the categories of investors eligible to subscribe to the Debentures in this Issue, when addressed directly, are:

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

Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them. Please also refer to the Section on '**Who Can Apply**' below.

ISSUE HIGHLIGHTS

Coupon Rate	The Coupon Rate with respect to each Tranche/ Series of Debentures will be identified in the relevant Supplemental Placement Memorandum to be issued with respect to relevant Tranche/ Series of Debentures.
Coupon Payment Frequency	The Coupon Payment Frequency with respect to each Tranche/ Series of Debentures will be identified in the relevant Supplemental Placement Memorandum to be issued with respect to relevant Tranche/ Series of Debentures.
Redemption Date	The Redemption Date with respect to each Tranche/ Series of Debentures will be identified in the relevant Supplemental Placement Memorandum to be issued with respect to relevant Tranche/ Series of Debentures.
Redemption Amount	The Redemption Amounts with respect to each Tranche/ Series of Debentures will be identified

	in the relevant Supplemental Placement Memorandum to be issued with respect to relevant Tranche/ Series of Debentures.
Details of Debenture Trustee	Catalyst Trusteeship Limited. Please refer to **Annexure I** of this Shelf Placement Memorandum for the consent letter dated 23 January 2023 issued by Catalyst Trusteeship Limited granting its consent to act as debenture trustee in relation to the Issue of Debentures being made by the Issuer in terms of this Shelf Placement Memorandum. Further, a debenture trustee appointment agreement dated 6th February, 2023 executed by and between the Issuer and the Debenture Trustee, whereby the Debenture Trustee has been appointed as the debenture trustee in respect of the debentures issued/ to be issued as set out in the Debenture Trust Deed and to act for and on behalf of and for the benefit of the Debenture Holders. Please refer to **Annexure VI** of this Shelf Placement Memorandum for key terms of the said debenture trustee appointment agreement.
Nature, Number and Issue Size	Upto 5,00,000: (i) Secured Rated Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified), for cash, at par; and/or (ii) Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) for cash, at par, for an amount aggregating upto Rs. 50,00,00,00,000/- (Rupees five thousand crores only), on private placement basis, in multiple Series/ Tranches.
Base Issue and Green Shoe Option	The Base Issue Size and Green Shoe Option (if applicable) in relation to each Tranche/ Series of Debentures will be identified in the Supplemental Placement Memorandum.
Aggregate Shelf Size	The aggregate shelf limit of the Issue, being Rs. 50,00,00,00,000 (Five Thousand Crores) to be issued under this Shelf Placement Memorandum read with the Supplemental Placement Memorandum to be issued with respect to relevant Tranche/ Series of Debentures.
Details about Underwriting of the Issue including the Amount Undertaken to be Underwritten by the Underwriters.	Not Applicable

ELECTRONIC BOOK MECHANISM AND DETAILS PERTAINING TO THE UPLOADING THE PLACEMENT MEMORANDUM ON THE ELECTRONIC BOOK PROVIDER PLATFORM.

The Issue shall be open for bidding and subscription in accordance with the guidelines issued by SEBI and BSE pertaining to the procedure of Electronic Book Mechanism as specified by the Operational Circular, and the related operational guidelines, regulations issued by the concerned Electronic Book Provider, as may be amended, clarified or updated from time to time (collectively, "**Electronic Book Mechanism Guidelines**").

Mode of bidding:	As per the Supplemental Placement Memorandum
Manner of Allotment:	As per the Supplemental Placement Memorandum
Allotment Size	The minimum allotment of Debentures shall be Rs. 1,00,000/- (Rupees One Lakh only) (or as otherwise specified).
Manner of Settlement i.e. through clearing corporation or through escrow bank account of Issuer	As per the process prescribed by the Electronic Book Mechanism Guidelines
Minimum Bid Lot and Multiple of Single Bid:	Rs. 1,00,00,000/- (Rupees One Crore only) (or any higher amount as otherwise specified) and in multiples of Rs. 1,00,000/- (Rupees One Lakh only) (or any higher amount as otherwise specified) thereafter.
Trading Lot Size	Rs. 1,00,000/- (Rupees One Lakh only) (or any higher amount as otherwise specified)
Settlement Cycle [T+1/ T+2] where T refers to the date of bidding/ issue day	As per the Supplemental Placement Memorandum

The Issuer certifies that any consolidation of the Debentures issued/ to be issued under this Issue with an existing ISIN is and shall be carried out in compliance with SEBI NCS Regulations, the Operational Circular and any other rules, regulations, process as prescribed by SEBI from time to time in this regard.

UNDERTAKINGS OF THE ISSUER

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

GENERAL RISKS: Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in debt instruments unless they can afford to take the risk attached to such investments. Investors are advised to read the Risk Factors carefully before taking an

investment decision in this Issue. For taking an investment decision, the Investors must rely on their own examination of the Issuer and the Issue including the risks involved therein. For taking an investment decision, Investors must rely on their own examination of the Company and the Issue including the risks involved in it. The Debentures have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Shelf Placement Memorandum and the Supplemental Placement Memorandum. Specific attention of investors is invited to the statement of 'Risk Factors' given in Section 2 of this Shelf Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or investor's decision to purchase the Debentures. This Shelf Placement Memorandum and the Supplemental Placement Memorandum has not been submitted, cleared or approved by SEBI.

NO SIDE LETTERS: The Issuer has no side letter with any debenture holders except the one(s) disclosed in the Supplemental Placement Memorandums. Any covenants later added shall be disclosed on the stock exchange website where the debentures are listed.

DISCLAIMER STATEMENT FROM THE ISSUER: The Issuer confirms that the information contained in this Shelf Placement Memorandum and the Supplemental Placement Memorandum is true and correct in all material respects and is not misleading in any material respect. All information considered adequate and relevant about the Issue and the Issuer has been/shall be made available in this Shelf Placement Memorandum and the Supplemental Placement Memorandum for the use and perusal of the potential investors/debenture holders and no selective or additional information would be available for a section of potential investors/debenture holders, in any manner whatsoever. The Issuer accepts no responsibility for statements made otherwise than in this Shelf Placement Memorandum and the Supplemental Placement Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.

This Shelf Placement Memorandum and the Supplemental Placement Memorandum has been prepared to provide general information about the Issuer and the Issue to potential debenture holders to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Shelf Placement Memorandum and the Supplemental Placement Memorandum does not purport to contain all the information that any potential investors/debenture holder may require. Neither this Shelf Placement Memorandum and the Supplemental Placement Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Shelf Placement Memorandum and the Supplemental Placement Memorandum should not consider such receipt a recommendation to purchase any Debentures. Each potential investor/debenture holder contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors/debenture holders should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such debenture holder's particular circumstances.

DEFINITIONS AND ABBREVIATIONS

The Company / Issuer / We / Our Company/ Us	Shriram Finance Limited, having its registered office at Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600032.
Allotment Intimation	An advice informing the allottee of the number of Letter(s) of Allotment/ Debenture(s) allotted to him in Electronic (Dematerialised) Form.
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to the Issue.
Articles	The articles of association of the Company, as amended from time to time.
Board	Board of Directors of the Company or a Committee thereof of, formed or to be formed in this regard.
Business Day/ Working Days	Any day of the week on which the money market is functioning in Mumbai, excluding: (a) non-working Saturdays, Sundays; (b) any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Maharashtra; (c) any other day on which banks are closed for customer business in Mumbai, India; and (d) any day on which payments cannot be made on account of failure of RBI's system for RTGS/NEFT payment. Explanation: For the purpose of this definition, in respect of - (i) Issue period: Working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the offer document are open for business; (ii) the time period between the bid/ issue closing date and the listing of the Debentures on the stock exchanges: working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by the Board.
BSE	BSE Limited (earlier known as Bombay Stock Exchange)
Companies Act	The Companies Act, 2013 or the Companies Act, 1956 (to the extent still in force), as may be applicable.
Credit Rating Agency (s)	CRISIL Limited and the India Ratings
Date of Allotment	The date as set out for each Series/Tranches of Debentures in the Supplemental Placement Memorandum (s) issued in relation to the respective Series/Tranches of Debentures, being the date on which the Debentures being issued under relevant Tranche/ Series are deemed to be

	allotted to the Debenture Holder(s).
Debentures/ NCDs /Bonds	(i) Secured Rated Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) each; and/or (ii) Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) each, proposed to be issued under this Issue.
Debenture Holder	Persons who are/will become the holders of the Debentures and whose names are/ will be entered in the register of Debenture holders as maintained by the Company as Debenture holders and shall include the beneficial owner(s) of the Debentures in dematerialized form as per the list of beneficial owners prepared and maintained by National Securities Depository Limited ("**NSDL**") and/or Central Depository Securities (India) Limited ("**CDSL**"), as the case may be, as per the provisions of Depositories Act, 1996.
Debenture Trust Deed	The debenture trust deed dated 6th February, 2023 executed by and between the Debenture Trustee and the Issuer for capturing the detailed terms of issue of the Debentures.
Debenture Trustee	Debenture trustee for the Debenture holders, in this case being Catalyst Trusteeship Limited.
Depository/ies	National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).
DP	Depository Participant
FEMA Regulations	The regulations framed by the RBI under the provisions of the Foreign Exchange Management Act, 1999, as amended from time to time.
FPI	Foreign Portfolio Investor (as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019) registered with SEBI.
I.T. Act	The Income-tax Act, 1961 and rules, regulations, guidelines in relation thereto, each as amended from time to time.
Issue	Issue of up to 5,00,000: (i) Secured Rated Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified), for cash, at par; and/or (ii) Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) for cash, at par, for an amount aggregating up to Rs. 50,00,00,00,000/- (Rupees five thousand crores only), on private placement basis, in multiple Series/ Tranches
ISIN	International Securities Identification Number
Memorandum / MoA	Memorandum of Association of the Company, as amended from time to time.
Material Adverse Effect	Material adverse effect on or a material adverse change (in the judgement of Debenture Trustee acting on the instructions of Majority Debenture Holders) in: (a) the business, operations, property, assets, condition (financial or otherwise) or prospects of the Issuer; (b) the ability of the Issuer to enter into and to perform its obligations under the Transaction Documents or such other documents executed/ issued in relation to the Debentures to which the Issuer is or will be a party; or (c) the validity or enforceability of the Transaction Documents or any other related document or the rights or remedies of Debenture Holders thereunder; which in the opinion of Debenture Trustee (acting on the instructions of Majority Debenture Holders) would adversely affect the Debentures.
Majority Debenture Holders	The Debenture Holder(s) holding an aggregate amount representing not less than 51% (Fifty One Percent) of the outstanding value of the Debentures. It is however clarified that if a resolution is required to be passed in relation to a matter concerning a particular Tranche/Series only, then the term "Majority Debenture Holder(s)" shall mean the Debenture Holder(s) of that Tranche/Series holding an aggregate amount representing not less than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures comprised in that Tranche/Series for the time being outstanding.
NBFC	Non-Banking Finance Company
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the FEMA Regulations.
Operational Circular	The operational circular issued by Securities Exchange Board of India vide circular number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended and/or updated from time to time.
Private Placement Offer cum Application Letter/ Application Form	The private placement offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, which shall be issued with respect to

	each Tranche/Series issued under the Issue. The terms of the Private Placement Offer cum Application Letter to the extent applicable have been captured in this Shelf Placement Memorandum and the Supplemental Placement Memorandum.
Redemption Date	With respect to any Series/ Tranche means the date on which repayment of Principal Amount and all other amounts due in respect of the Debentures of that Series/ Tranche will be made and shall be as specified in the Supplemental Placement Memorandum issued for such Series/ Tranche.
Registrar/Registrar to the Issue	Registrar to the Issue, in this case being Integrated Registry Management Services Private Limited.
ROC	The Registrar of Companies, Tamil Nadu.
RTGS	Real Time Gross Settlement, an electronic funds transfer facility provided by RBI.
RBI	The Reserve Bank of India
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Debt Listing Regulations	The SEBI NCS Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Operational Circular, each as amended/replaced from time to time.
SEBI NCS Regulations	Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended/replaced from time to time.
Series/ Tranche	Any Series/ Tranche of Debentures issued under the Issue pursuant to the issue of a Supplemental Placement Memorandum.
Shelf Placement Memorandum	This shelf placement memorandum dated 8th February,2023 which sets out the information regarding the issue of Debentures.
Supplemental Placement Memorandum	means the supplemental placement memorandum to be issued by the Company substantially in the format provided in: (i) **Annexure IIA** hereof containing *inter alia* the issue price, issue size, interest rate (if any), redemption premium (if any), coupon (if any) and other terms and conditions regarding each Series/ Tranche of the Non-Convertible Debentures issued under the Issue; or (ii) **Annexure IIB** hereof containing *inter alia* the issue price, issue size, interest rate (if any), redemption premium (if any), coupon (if any) and other terms and conditions regarding each Series/ Tranche of the Market Linked Debentures issued under the Issue. The Company shall be free to amend the format of any Supplemental Placement Memorandum depending upon the terms and conditions of the Debentures being issued in the relevant Series/ Tranche.
Super Majority Debenture Holders	The Debenture Holder(s) holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the outstanding value of the Debentures. It is however clarified that if a resolution is required to be passed in relation to a matter concerning a particular Tranche only, then the term "Super Majority Debenture Holder(s)" shall mean the Debenture Holder(s) of that Tranche holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the Debentures comprised in that Tranche for the time being outstanding.
Stage 3 Assets	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS
Stock Exchange	BSE Limited (BSE)
Stock Broker Regulations	SEBI (Stock Broker and Sub-brokers) Regulation, 1992, as amended/replaced from time to time.
Transaction Documents	means and refers to the Debenture Trust Deed, the Debenture Trustee Appointment Agreement, the Memorandum of Hypothecation, this Shelf Placement Memorandum and the Supplemental Placement Memorandum executed/issued or to be executed/ to be issued in relation to the Debentures.

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SECTION 1 – NOTICE TO THE INVESTORS AND DISCLAIMER

GENERAL DISCLAIMER

This Shelf Placement Memorandum read together with any Supplemental Placement Memorandum (s) (the Shelf Placement Memorandum and Supplemental Placement Memorandum are hereinafter collectively referred to as "**Placement Memorandum**"), is neither a prospectus nor a statement in lieu of prospectus under the Companies Act, 2013. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by the Company.

This Placement Memorandum has been prepared in conformity with the Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued vide circular number SEBI/LAD-NRO/GN/2021/39 dated August 09, 2021, as amended from time to time, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued vide Circular No. Sebi/Lad-Nro/Gn/2015-16/013 dated September 02, 2015, as amended form time to time, the Operational Circular issued by Securities Exchange Board of India vide circular number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time, Section 42 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

No person has been authorized to give any information or to make any representation not contained in or incorporated by reference in this Shelf Placement Memorandum or in any Supplemental Placement Memorandum or in any material made available by the Company to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Company.

This Shelf Placement Memorandum and the Supplemental Placement Memorandum is for the exclusive use to whom it is delivered and it should not be circulated or distributed to third party/ (ies). The Issuer certifies that the disclosures made in this Shelf Placement Memorandum and the Supplemental Placement Memorandum are generally adequate and are in conformity with the SEBI Regulations.

Apart from the Shelf Placement Memorandum and the Supplemental Placement Memorandum, no offer document or prospectus has been prepared in connection with this Issue and no prospectus in relation to the Issuer or the Debentures relating to this offer has been delivered for registration nor is such a document required to be registered under the applicable laws.

This Shelf Placement Memorandum and the Supplemental Placement Memorandum is issued by the Company and has been prepared by the Company to provide general information on the Company to potential investors to whom it is addressed and who are eligible and willing to subscribe to the Debentures and does not purport to contain all the information a potential investor may require. Where this Shelf Placement Memorandum and the Supplemental Placement Memorandum summarizes the provisions of any other document, that summary should not be solely relied upon and the relevant document should be referred to for the full effect of the provisions. Neither this Shelf Placement Memorandum or Supplemental Placement Memorandum, nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation. Any recipient of this Shelf Placement Memorandum and the Supplemental Placement Memorandum should not consider such receipt a recommendation to purchase the Debentures. Each potential investor contemplating the purchase of any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own legal, regulatory, tax, financial, accounting, and/or other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential investor's particular circumstances.

This Shelf Placement Memorandum and the Supplemental Placement Memorandum shall not be considered as a recommendation to purchase the Debentures and recipients are urged to determine, investigate and evaluate for themselves, the authenticity, origin, validity, accuracy, completeness and adequacy or otherwise the relevance of information contained in this Shelf Placement Memorandum and the Supplemental Placement Memorandum. The recipients are required to make their own independent valuation and judgment of the Company and the Debentures. It is the responsibility of potential investors to ensure that if they sell/ transfer these Debentures, they shall do so in strict accordance with this Shelf Placement Memorandum and the Supplemental Placement Memorandum and other applicable laws, so that the sale does not constitute an offer to the public, within the meaning of the Act. The potential investors should also consult their own tax advisors on the tax implications relating to acquisition, ownership, sale or redemption of the Debentures and in respect of income arising thereon. Investors are also required to make their own assessment regarding their eligibility for making investment(s) in the Debentures. The Company or any of its directors, employees, advisors, affiliates; subsidiaries or representatives do not accept any responsibility and/ or liability for any loss or damage however arising and of whatever nature and extent in connection with the said information.

As per the applicable provisions of the Companies Act and the SEBI Debt Listing Regulations, it is not necessary for a copy of this Shelf Placement Memorandum and/or any Supplemental Placement Memorandum to be filed with or submitted to the SEBI for its review and / or approval. Further, since the Issue is being made on a private placement basis, the provision of Section 26 of the Companies Act shall not be applicable and accordingly, a copy of this Shelf Placement Memorandum and the Supplemental Placement Memorandum has not been filed with the Registrar of Companies.

This Shelf Placement Memorandum and the Supplemental Placement Memorandum contents hereof are addressed only to the intended recipients who have been addressed directly and specifically through a communication by the Company. All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Shelf Placement Memorandum and the Supplemental Placement Memorandum are intended to be used only by those potential investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient or made public or its contents disclosed to a third person. No invitation is being made to any person other than the investor to whom this Shelf Placement Memorandum and the Supplemental Placement Memorandum has been sent. Any application by a person to whom this Shelf Placement Memorandum and Supplemental Placement Memorandum has not been sent by the Company may be rejected without assigning any reason.

Invitations, offers and sales of Debentures shall only be made pursuant to this Shelf Placement Memorandum and the Supplemental Placement Memorandum. You may not and are not authorised to: (1) deliver this Shelf Placement Memorandum and the Supplemental Placement Memorandum to any other person; or (2) reproduce this Shelf Placement Memorandum and the Supplemental Placement Memorandum in any manner whatsoever. Any distribution or reproduction or copying of this Shelf Placement Memorandum and the Supplemental Placement Memorandum in whole or in part or any public announcement or any announcement to third parties regarding the contents of this Shelf Placement Memorandum and the Supplemental Placement Memorandum is unauthorised. Failure to comply with this instruction may result in a violation of applicable laws of India and/or other jurisdictions. This Shelf Placement Memorandum and the Supplemental Placement Memorandum has been prepared by the Company for providing information in connection with the proposed Issue.

Neither the delivery of the Shelf Placement Memorandum nor the issue of any Debentures made thereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date thereof.

This Issue is a domestic issue restricted to India and no steps have been taken or will be taken to facilitate the Issue in any jurisdictions other than India. Hence, this Shelf Placement Memorandum and the Supplemental Placement Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Shelf Placement Memorandum and the Supplemental Placement Memorandum in any jurisdiction where such action is required. This Shelf Placement Memorandum and the Supplemental Placement Memorandum is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where distribution or use of such information would be contrary to law or regulation. Persons into whose possession this Shelf Placement Memorandum and the Supplemental Placement Memorandum comes are required to inform themselves about and to observe any such restrictions. This Shelf Placement Memorandum and the Supplemental Placement Memorandum is made available to potential investors in the Issue on the strict understanding that it is confidential and may not be transmitted to others, whether in electronic form or otherwise.

Each of the notices and disclaimers set out in this Shelf Placement Memorandum shall, *ipso facto*, without the requirement of any further act, deed or reference by the Company, unless specifically further modified/updated in the Supplemental Placement Memorandum *mutatis mutandis* be deemed to apply to and be repeated in each Supplemental Placement Memorandum, issued by the Company in relation to any Series of the Debentures.

Investors to note that the board of directors of Shriram Transport Finance Company Limited ("**STFCL**") in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation ("**Scheme**"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited ("**SCL**") and Shriram City Union Finance Limited ("**SCUF**", collectively with SCL, the "**Merged Entities**") with STFCL under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. STFCL had obtained approvals/no objection to the Scheme from various statutory authorities, as applicable, and had filed the petition before the Hon'ble National Company Law Tribunal, Chennai Bench ("**NCLT**") for sanction of the Scheme, which was listed for final hearing on October 19, 2022. The NCLT has by a common order pronounced on November 09, 2022, sanctioning the scheme. On November 14, 2022, the Company received the certified true copy of the common order dated November 14, 2022 issued by the NCLT sanctioning the Scheme. The appointed date of the Scheme was April 1, 2022 and the Scheme was effective from the date on which the common order of the Hon'ble NCLT was filed with the Registrar of Companies, Chennai. Further, pursuant to the common order of the Hon'ble NCLT and consequent upon receipt of fresh 'Certificate of Incorporation pursuant to change of name' the name of Shriram Transport Finance Company Limited has been changed to Shriram Finance Limited ("**SFL**").

In view of the aforesaid, investors to note that the consolidated information (including financial information) of SFL has not been prepared; however, information in relation to the Merged Entities have been separately provided under Annexure XII of this Shelf Placement Memorandum to provide appropriate disclosure for the Merged Entities in accordance with the SEBI Debt Listing Regulations. Unless otherwise provided for, all disclosures under this Shelf Placement Memorandum relate to the erstwhile STFCL (i.e. SFL) and do not, unless expressly highlighted, cover disclosures for the other Merged Entities.

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

DISCLAIMER OF THE RESERVE BANK OF INDIA

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

DISCLAIMER OF THE SECURITIES AND EXCHANGE BOARD OF INDIA

This Shelf Placement Memorandum and the Supplemental Placement Memorandum have not been and will not be filed with SEBI. The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Shelf Placement Memorandum and the Supplemental Placement Memorandum. It is to be distinctly understood that this Shelf Placement Memorandum and the Supplemental Placement Memorandum should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Shelf Placement Memorandum and the Supplemental Placement Memorandum. The issue of Debentures being made on private placement basis, filing of this Shelf Placement Memorandum and the Supplemental Placement Memorandum is not required with SEBI; however, SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Shelf Placement Memorandum.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of this Shelf Placement Memorandum and the Supplemental Placement Memorandum would be duly filed with BSE in terms of SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Shelf Placement Memorandum and the Supplemental Placement Memorandum to the BSE should not in any way be deemed or construed to mean that this Shelf Placement Memorandum and the Supplemental Placement Memorandum has been reviewed, cleared or approved by BSE, nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Shelf Placement Memorandum. BSE does not warrant that the Debentures or any Series thereof will be listed or will continue to be listed on BSE nor does BSE take any responsibility for the soundness of the financial and other conditions of the Company, its promoters, its management or any scheme or project of the Company.

DISCLAIMER OF THE TRUSTEE

The Debenture Trustee, 'ipso facto' does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by Debenture Holders.

DISCLAIMER IN RESPECT OF JURISDICTION

Issue of these Debentures have been/will be made in India to investors as specified under clause "Who Can Apply" in this Shelf Placement Memorandum and the Supplemental Placement Memorandum, who have been/shall be specifically approached by the Company. This Shelf Placement Memorandum and the Supplemental Placement Memorandum is not to be construed or constituted as an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. The Debentures are governed by and shall be construed in accordance with the existing Indian laws as applicable in the state of Maharashtra. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals of the city of Chennai.

DISCLAIMER CLAUSE OF THE RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned facilities or to buy, sell or hold any security. The Rating Agency(ies) has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency(ies) do not, however, guarantee the accuracy,

adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities / instruments are rated by the Rating Agency(ies) have paid a credit rating fee, based on the amount and type of bank facilities / instruments.

FORCE MAJEURE BEFORE CLOSING DATE

The Company reserves the right to withdraw the Issue at any time or any Series/Tranche under the Issue prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Company will refund the application money, if any, collected in respect of that Series without assigning any reason.

ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialized form. The Issuer has made arrangements with the depositories for the issue of the Debentures in dematerialized form. Investors will have to hold the Debentures in dematerialized form as per the provisions of the Depositories Act, 1996. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the investor with its depository participant. The Issuer will make the allotment to Investors on the Deemed Date(s) of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

EACH PERSON RECEIVING THIS SHELF PLACEMENT MEMORANDUM ACKNOWLEDGES THAT SUCH PERSON:

(a) has reviewed the terms and conditions applicable to the Debentures as contained in this Shelf Placement Memorandum and has understood the same, and, on an independent assessment thereof, found the same acceptable for the investment made and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that the investment in the Debentures is a suitable investment and that the Debenture Holders can bear the economic risk of that investment;

(b) has received all the information believed by it to be necessary and appropriate or material in connection with, and for investment in the Debentures;

(c) has sufficient knowledge, experience and expertise as an investor, to make the investment in the Debentures;

(d) has not relied on either the Company or any of its affiliate, associate, holding, subsidiary or group entities or any person acting in its or their behalf for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the Debentures set out in this Shelf Placement Memorandum;

(e) has understood that information contained in this Shelf Placement Memorandum is not to be constructed as business or investment advice;

(f) has made an independent evaluation and judgment of all risks and merits before investing in the Debentures;

(g) has understood that the Debentures, even after being listed, may not be marketable or may not have a market at all;

(h) has legal ability to invest in the Debentures and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holders or its assets.

Neither the delivery of this Shelf Placement Memorandum and/or any Supplemental Placement Memorandum (s) nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof. However, the Company shall in each Supplemental Placement Memorandum highlight the material changes, if any, in the information about the Company contained in this Shelf Placement Memorandum.

SECTION 2: RISK FACTORS

The following are some of the important factors that could cause actual results to differ materially from the Company's expectations:

The following are the risks envisaged by the management of the Company relating to the Company, the Debentures and the market in general. Potential investors should carefully consider all the risk factors stated in this Shelf Placement Memorandum and/or the relevant Supplemental Placement Memorandum (s) and/or the Private Placement Offer cum Application Letter(s) in relation to the Debentures for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represents the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding the risks of holding the Debentures are exhaustive. *The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another*. Potential Investors should also read the detailed information set out elsewhere in this Shelf Placement Memorandum and in the relevant Supplemental Placement Memorandum (s) and/or the Private Placement Offer cum Application Letter(s) and reach their own views prior to making any investment decision.

If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's Debentures could decline and/or the Company's ability to meet its obligations in respect of the Debentures could be affected. More than one risk factor may have simultaneous effect with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures.

These risks and uncertainties are not the only issues that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below.

A. INTERNAL RISK FACTORS

Risks relating to our Company and its Business:

1. Instability of global and Indian economies and banking and financial sectors could affect the liquidity of our Company, which could have a material adverse effect on our Company's financial condition.

The credit markets in India have faced significant volatility, dislocation and liquidity constraints in the past three financial years. The instability in the Indian credit markets has in the past resulted from significant write downs of asset value of financial institutions including banks (primarily in the public sector), housing finance companies and non-banking financial companies.

Any protracted instability in the Indian credit markets or other macro-economic factors which may impact the overall liquidity available in the Indian credit markets in general or the amount of credit available to non-banking financial companies in particular, could adversely impact our ability to raise funds in a timebound manner and at commercially acceptable terms.

Non-availability of credit may lead to disruption in our business, including asset-liability mismatches and an inability to grow our business, and may require our Company to seek alternate sources of funding, which may not be available on commercially acceptable terms or at all.

2. Our financial performance is highly sensitive to interest rate volatility and our lending and treasury operations may be impacted by any volatility in such interest rates, which could cause our net interest income and margins to decline and adversely affect our return on assets and profitability.

Our results of operations are substantially dependent upon the level of our net interest margins. As of December 31, 2022, our gross loan assets were Rs. 175,841.22 crores. We provide loans at fixed rates of interest. We borrow funds on both fixed and floating rates. We are exposed to interest rate risks as a result of lending to customers predominantly at fixed interest rates (and we typically do not have an escalation clause in our agreements), amounts and for periods which may differ from our funding sources. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the

financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a high degree of volatility in interest rates in India. Difficult conditions in the global and Indian economy can affect the availability of credit. Volatility in interest rates in our borrowing operations can materially and adversely affect our financial performance and cash flows. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Additional risks arising from increasing interest rates, among others, include:

- increases in the rates of interest charged on various loans in our loan portfolio, which could result in the extension of loan maturities and higher monthly instalments due from borrowers which, in turn, could result in higher rates of default;
- reductions in the volume of loans as a result of clients' inability to service high interest rate payments; and
- reduction in the value of fixed income securities held in our investment portfolio.

Accordingly, our operations are susceptible to fluctuations in interest rates. Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors, which may also adversely affect our treasury operations. Difficult conditions in the global and Indian economy can affect the availability of credit. In a rising interest rate environment, especially if the rise is sudden or sharp, we could be adversely affected by the decline in market value of our securities portfolio and other fixed income securities. We cannot assure that we will enter into any interest rate hedging instruments to adequately hedge against interest rate volatility in the future.

3. Our business requires raising substantial capital through borrowings and any disruption in funding sources would have a material adverse effect on our liquidity, financial condition and/or cash flows.

As an asset finance company, our liquidity and on-going profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. As of December 31, 2022, 77.51% of our borrowed funds consisted of funds raised from financial institutions and banks (including public issues of non-convertible debentures), while the remaining 22.49% consisted of funds raised through retail borrowings (deposits). Our funding requirements are predominantly met through term loans from banks (including cash credit and external commercial borrowings,), the issue of redeemable non-convertible debentures and deposits (including public and corporate deposits), which constituted 26.28% 21.26% and 22.49% of our total borrowings, respectively, as of December 31, 2022. Our credit providers include nationalised banks, private Indian banks, foreign institutional investors and foreign banks and we also rely on domestic retail investors. Our business, therefore, depends and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the economic and regulatory environment and policy initiatives in India, developments in the international markets whether affecting the Indian economy or not, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs and our current and future results of operations and financial condition. Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. Any such disruption in our ability to access primary funding sources at competitive costs would have a material adverse effect on our liquidity, financial condition and/or cash flows.

4. If we are unable to manage the level of non-performing assets or stage 3 in our loan portfolio, our financial position, results of operations and cash flows may suffer.

In the past, we have seen increasing levels of Stage 3 Assets in our loan portfolio. As per our Standalone Financial Statements, our gross Stage 3 Assets were Rs. 11,058.61 crores as on December 31, 2022 and our net Stage 3 Assets were Rs 5,450.55 crore as on December 31, 2022 . As per our Standalone Financial Statements, our Stage 3 Assets as a percentage of total loan assets was 6.29% as at December 31, 2022, and our net Stage 3 Assets as a percentage of net loan assets was 3.20% as at December 31, 2022.

We cannot be sure that we will be able to further improve our collections and recoveries in relation to our Stage 3 Assets, or otherwise adequately control our level of Stage 3 Assets in the future. We have also seen an increase in our gross Stage 3 Assets on account of changes in RBI regulations pertaining to time period for classification of our assets as Stage 3 Assets s in the past. Any further changes in RBI norms may cause further

impediments in our ability to maintain our assets as standard.

In certain cases where a customer has delayed payments but has demonstrated an ability to continue servicing the relevant loan, we generally do not enforce the security but we allow the loan to remain outstanding and continue without restructuring, which can adversely affect the position of our asset quality and Stage 3 Assets/ECL provisioning. There can also be no assurance that in such cases the customer would not continue to delay payments, which could adversely affect our profitability and cash flows.

If we are not able to control or reduce our level of Stage 3 Assets, the overall quality of our loan portfolio may deteriorate, and our results of operations and/or cash flows may be adversely affected. Furthermore, in future our provisions may not be adequate when compared to the loan portfolios of other financial institutions. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of Stage 3 Provision coverage as a percentage of Stage 3 Assets or otherwise, or that the percentage of Stage 3 Assets that we will be able to recover will be similar to our past experience of recoveries of Stage 3 Assets. In the event of any deterioration in our Stage 3 Assets /impaired portfolio, there could be an even greater adverse impact on our results of operations and/or cash flows.

The RBI regulates some aspects of the recovery of non-performing loans, such as the use of recovery agents. Any limitation on our ability to recover, control and reduce non-performing loans as a result of these guidelines or otherwise could affect our collections and ability to foreclose on existing Stage 3 Assets.

As of December 31, 2022, our Stage 3 Provision coverage was 50.71%. In the event the overall credit quality of our loans deteriorates, the current level of our provisioning may be inadequate to cover the increase in our Stage 3 Assets. There can be no assurance that there will be no deterioration in the provisioning coverage as a percentage of gross Stage 3 Assets or otherwise or that the percentage of Stage 3 Assets that we will be able to recover will be similar to our past Stage 3 Assets recovery experience.

5. Significant portfolio of our business is focused on commercial vehicle finance for new and pre-owned commercial vehicles and any adverse developments in this sector and the automobile and transportation industry would adversely affect our results of operations

As we predominantly focus on providing financing for pre-owned and new commercial vehicles, our asset and Stage 3 Assets portfolios have, and will likely continue in the future to have, a high concentration of pre-owned and new commercial vehicle financing arrangements. As of December 31, 2022, our product portfolio comprised of commercial vehicle financing of 51.1%, passenger vehicles 17.9%, construction equipment 7.8%, Farm equipment 1.9%, MSME 9.9%, Two wheelers 5.6%, Gold 2.5%, Personal loans and other loans 3.3% respectively.

Significant portfolio of our business is, therefore, entirely dependent on various factors that impact this vehicle segment such as the demand for transportation services in India, changes in Indian regulations and policies affecting pre-owned commercial vehicles, natural disasters and calamities, and the macroeconomic environment in India and globally. For example, prolonged lockdown due to the COVID-19 pandemic resulted in the RTOs and dealers being closed for operations during which period, no fresh registration of vehicles was possible. Further, the MoRTH has introduced a vehicle scrappage policy, which reduces the overall life and road-worthiness of commercial vehicles or lead to a shift in preference for newer vehicles. Such factors may result in a decline in the sales or value of pre-owned commercial vehicles. Therefore, the demand for finance for pre-owned commercial vehicles may decline, which in turn may adversely affect our financial condition, the results of our operations and/or cash flows. In addition, the ability of commercial vehicle owners and/or operators to perform their obligations under existing financing agreements may be adversely affected if their businesses suffer.

Our business, to a large extent, depends on the continued growth in the automobile and transportation industry in India, which is influenced by a number of extraneous factors which are beyond our control, inter-alia including (a) the macroeconomic environment in India, (b) the demand for transportation services, (c) natural disasters and calamities, and (d) changes in regulations and policies in connection with motor vehicles. Such factors may result in a decline in the sales or value of new and pre-owned CVs.

6. High levels of customer defaults could adversely affect our business, financial condition, results of operations and/or cash flows.

We are subject to customer default risks including default or delay in repayment of principal or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack

of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition, results of operations and/or cash flows will be adversely impacted.

In addition, certain customer portfolio lacks banking habits and individual borrowers generally are less financially resilient than larger corporate borrowers and, as a result, they can be more adversely affected by declining economic conditions and become unable to make timely payments in respect of the loans availed by them. In addition, majority of our client base belongs to the low and middle-income group. Some of the customers that we finance often do not have any credit history supported by tax returns and other related documents which would enable us to assess their creditworthiness.

Furthermore, unlike several developed economies, a nationwide credit bureau covering our customers does not exist, so there is less financial information available about the creditworthiness of individuals, particularly our client segment that is mainly from the low-income group and which typically has limited access to other financing sources. It is therefore difficult to carry out precise credit risk analyses on our clients. Although we follow certain procedures to evaluate the credit profile of our customers at the time of sanctioning a loan, we generally rely on the referrals from the local community and value of the asset provided as underlying collateral rather than on a stringent analysis of the credit profile of our customers. We may also not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation on the part of our customers. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required.

Failure to continuously monitor the loan contracts, particularly for individual borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations, financial condition and/or cash flows.

7. We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans, which could adversely affect our business and results of operations.

Our secured AUM are typically secured by a mix of both movable and immovable assets or other forms of collateral, depending on the nature of the product. The value of certain types of assets may decline due to inherent operational risks, the nature of the asset secured in our favour and adverse market and economic conditions.

For instance, in commercial/passenger vehicle loans and two-wheeler financing segments, the vehicles purchased by our customers are hypothecated in our favour as security for the loans provided by us. The value of the equipment or vehicles, however, is subject to depreciation or a reduction in value on account of a number of external factors (such as wear and tear), over the course of time. Consequently, the realizable value of the collateral for the loan provided by us, when liquidated, may be lower than the outstanding loan from such customers. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. Further, in the case of a default, we typically repossess the asset financed and sell such vehicles through auctions. The hypothecated vehicles, being movable property, may be difficult to locate or seize in the event of any default by our customers.

For personal loans and loans to small enterprises, we typically require immovable or movable property to be provided as collateral for the value of the loan amount. In cases where the borrower is unable to provide immovable or movable property as collateral, the borrower is typically required to furnish a guarantee. Any deterioration in the value of collateral or our failure to enforce such guarantees or to enforce our interests in such collateral in a timely manner, or at all, could adversely affect our operations and profitability.

For gold loans provided by us, gold jewellery and/or ornaments are provided as collateral. An economic downturn or sharp downward movement in the price of gold could result in a fall in collateral values. In the event of any decrease in the price of gold, customers may not repay their loans and the collateral gold jewellery securing the loans may have decreased significantly in value. If the price of gold decreases significantly, our financial condition and results of operations from this business product may be adversely affected. The impact on our financial position and results of operations of a decrease in gold values cannot be reasonably estimated because the market and competitive response to changes in gold values is not predeterminable. Additionally, we may not be able to realize the full value of the collateral, due to, among other things, inaccurate or fraudulent appraisal of gold by our workforce resulting in overvaluation, defects in the quality of gold or wastage on melting gold jewellery into gold bars.

Our housing loans are secured primarily by equitable or registered mortgages over property. Accordingly, a substantial portion of our loan portfolio is exposed to fluctuations in real estate prices and any negative events affecting the real estate sector. The value of real estate properties secured under our loans is largely dependent on prevalent real estate market conditions, as well the quality of the construction and the quality of the relevant developer. The value of the collateral on the loans disbursed by us may decline due to adverse market conditions including an economic downturn or a downward movement in real estate prices. Any developments or events that adversely affect the real estate sector, including without limitation, changes in government policies, introduction of any stringent norms regarding construction, floor space index or other compliances, may also result in diminishing the value of our collaterals. If any of the projects which form part of our collateral are delayed for any reason, it may affect our ability to enforce our security, thereby effectively diminishing the value of such security. Further, certain ownership documents of the immovable properties that are mortgaged to us may not be duly registered or adequately stamped. Failure to adequately stamp and register a document renders the document inadmissible in evidence. Consequently, should any default arise in relation to the corresponding loans, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such mortgaged properties.

We may also be adversely affected by the failure of our employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our customers. In the event we are unable to check the risks arising from improper appraisal of creditworthiness, our business and results of operations may be adversely affected.

Any default in repayment of the outstanding credit obligations by our customers, or failure or delay to recover the expected value from sale of collateral security may expose us to potential losses, which could adversely affect our financial condition and results of operations. Furthermore, enforcing our legal rights by litigating against defaulting customers is typically a slow and expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

8. We operate in an increasingly competitive financial services industry, which creates significant pricing pressures and may adversely affect our net interest margins, income and market share. Further, our growth depends on our ability to compete effectively in this competitive environment.

The financial services market is being served by a range of financial entities, including traditional banking institutions, public sector banks, NBFCs and small finance banks. Our competitors may have greater financial resources, may be larger in terms of business volume and customer base, have greater brand recognition among customers, better institutional distribution platforms, may have more attractive schemes for customers and may have lower cost of funds compared to us. Moreover, as interest rate is a key factor driving a customers' decision in selecting a financier, competitors may offer loans at lower rates, owing to access to lower cost of capital, to retain market share. This competition is likely to further intensify as more and more international and domestic players enter into Indian financial services industry as a result of regulatory changes. Our future success will depend, to a large extent, on our ability to respond in a timely and effective manner to these competitive pressures. There can be no assurance that we will be able to compete successfully with such competitors and gain market share.

Our primary competition historically has been private unorganized financiers who principally operate in the local market. However, the significant growth in the retail finance segment in recent periods has attracted private banks and NBFCs increasing their focus on this segment. In addition, interest rate deregulation and other liberalization measures have resulted in increased competition.

If we are unable to compete effectively with other participants in the retail finance sector, our business, future financial performance and the trading price of the Equity Shares may be adversely affected.

9. There are outstanding legal proceedings against our Company which may adversely affect our business, financial condition and results of operations.

There are outstanding legal proceedings against our Company that are in the ordinary course of business or are incidental to our business and operations, including certain criminal proceedings, civil proceedings and tax proceedings and cases under the Negotiable Instruments Act, 1881, which, if determined against us, could have a material adverse effect on our goodwill, financial condition, results of operations and cash flows. These proceedings are pending at different levels of adjudication before various courts and tribunals, primarily relating to civil suits and tax disputes.

Further, there can be no assurance that the pending proceedings will be decided in our favour or that penal or other action will not be taken against our Company and/or any senior management party to such proceedings and/or or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings. We may be required to devote management and financial resources in the defence or prosecution of such legal proceedings. If a number of these disputes are determined against our Company and if our Company is required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be a material and adverse impact on our reputation, business, financial condition and results of operations.

In addition, should any new developments arise, such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and current liabilities. If we fail to successfully defend our claims or if our provisions prove to be inadequate, our business, results of operations and financial condition could be adversely affected.

10. Inaccurate appraisal of credit may adversely impact our business.

We may be affected by the failure of employees to comply with internal procedures and the inaccurate appraisal of credit or financial worth of our clients. Inaccurate appraisal of credit may allow a loan sanction which may eventually result in a bad debt on our books of accounts. In the event that we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.

11. Large part of our collections are in cash and consequently we face the risk of misappropriation or fraud by our employees.

Large portion of our collections from our customers is in cash. Large cash collections expose us to the risk of fraud, misappropriation or unauthorised transactions by our employees responsible for dealing with such cash

collections. While we have taken insurance policies and coverage for cash in safes and in transit and undertake measures to detect and prevent any unauthorised transaction, fraud or misappropriation by our representatives and officers, this may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations, profitability and/or cash flows. Further, we may be subject to regulatory or other proceedings in connection with any unauthorised transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill, business prospects and future financial performance.

Our business is also susceptible to fraud by dealers, distributors and other agents through the forgery of documents and unauthorized collection of instalments on behalf of our Company. Given the high volume of transactions involving cash processed by us, certain instances of fraud and misconduct by our representatives or employees may go unnoticed for some time before they are discovered, and others successfully rectified. Even when we discover instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, there can be no assurance that we will recover any amounts lost through such fraud or other misconduct.

12. Our significant indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business and operations in the manner we desire. If we are not in compliance with the covenants contained in such financial arrangements, including obtaining the relevant consents from our lenders for the Issue, our lenders could accelerate their respective repayment schedules, and enforce their respective security interests, which would lead to an adverse effect on our business, results of operations and financial condition.

As per our Standalone Financial Statements, as of December 31, 2022, we had outstanding secured debt of Rs. 1,14,102.78 crore and unsecured debt of Rs. 39,224.79 crore. We will continue to incur additional indebtedness in the future. Most of our borrowings are secured by our immovable, movable and other assets. Our significant indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted or our cost of borrowings may increase due to sudden adverse market conditions, including decreased availability of credit or fluctuations in interest rates;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness is at variable interest rates;
- there could be a material adverse effect on our business, financial condition, results of operations and/or cash flows if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Some of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Specifically, under some of our financing agreements, we require, and may be unable to obtain, consents from the relevant lenders for, among others, the following matters: entering into any scheme of merger; spinning-off of a business division; selling or transferring all or a substantial portion of our assets; making any change in ownership or control or constitution of our Company; making amendments in our Memorandum and Articles of Association and creating any further security interest on the assets upon which the existing lenders have a prior charge. Our financing agreements also typically contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios, debt-to-net worth ratios, or Tier I to Tier II capital ratios that may be higher than statutory or regulatory requirements. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect our business, credit rating, financial condition, results of operations and/or cash flows.

13. If the performance of our portfolios relating to various credit and financing facilities deteriorates, our business, financial condition, results of operations and/or cash flows may be adversely affected.

We have in the past acquired and may in the future continue to acquire, portfolios relating to various credit and financing facilities from various originators including banks and other institutions, in the ordinary course of our business.

There can be no assurance that we will not experience any deterioration in the performance of any loan portfolio acquired by us or that may be acquired by us in the future. Any deterioration in such loan portfolios acquired by us, and an inability to seek recourse against loan portfolio originators, or otherwise recover the investments made in connection with the acquisition of such loan portfolios, would adversely impact our earnings realised from such loan portfolios and may adversely affect our business, financial condition and results of operations.

14. We face increasing competition in our business which may result in declining margins if we are unable to compete effectively.

Our primary competition historically has been private unorganised financiers who principally operate in the local market. However, the significant growth in the retail finance segment in recent periods has resulted in various banks and non-banking finance companies increasing their focus on this sector. In addition, interest rate deregulation and other liberalisation measures have resulted in an increase in competition.

All of these factors have resulted in our Company facing increased competition from other lenders in the retail finance sector, including commercial banks and other NBFCs. Our ability to compete effectively will depend, to some extent, on our ability to raise low cost funding in the future. Furthermore, as a result of increased competition in the retail finance sector, the financial products are becoming increasingly standardised and variable interest rate and payment terms and lower processing fees are becoming increasingly common in the retail finance sector in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive finance industry. Increasing competition may have an adverse effect on our net interest margin and other income, and if we are unable to compete successfully, our market share may decline.

If we are unable to compete effectively with other participants in our business, future financial performance and the trading price of the Debentures may be adversely affected.

15. We may not be able to successfully sustain our growth strategy.

In recent years, we have experienced substantial growth. Our growth strategy includes growing our branch network and presence in rural centres. There can be no assurance that we will be able to sustain our growth strategy successfully or that we will be able to expand further or diversify our product portfolio. If we grow our branch network and presence too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

We also face a number of operational risks in executing our growth strategy. We have experienced rapid growth in our retail-finance business; our branch network has expanded significantly, and we are entering into new, smaller towns and cities within India as part of our growth strategy. Our rapid growth exposes us to a wide range of increased risks, including business risks, such as the possibility that a number of our impaired loans may grow faster than anticipated, as well as operational risks, fraud risks and regulatory and legal risks. It will also place significant demands on our management, financial and other resources and will require us to continuously develop and improve our operational, financial and internal controls. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of client service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

16. We may not be able to successfully consolidate and expand our product portfolio.

We intend to consolidate and expand our product portfolio as part of our growth strategy. As per our Standalone Financial Statements, as of December 31, 2022, our assets under our management product portfolio comprised of commercial vehicle financing of 51.1%, passenger vehicles 17.9%, construction equipment 7.8%, Farm equipments 1.9%, MSME 9.9%, Two wheelers 5.6%, Gold 2.5%, Personal loans and other loans 3.3% , respectively of our total AUM.

We cannot assure that such diversification or expansion of operations will in future yield and/or continue to yield favourable or expected results, including acceptance of any new products/ services and/or business ventures by customers, as our overall profitability and success will be subject to various factors, including, among others, our ability to obtain necessary statutory and/or regulatory approvals and licences, our ability to effectively recruit, retain and motivate appropriate managerial talent and ability to compete with banks and other NBFCs that are already well established in this market segment, as well as our ability to effectively absorb additional infrastructure costs. Failure of diversification or expansion may result in our inability to recover pre-operative expenses and launch costs.

17. Our loan portfolio may no longer continue to be classified as priority sector advances by the RBI.

The RBI currently mandates domestic commercial banks (excluding regional rural banks and small finance banks) operating in India, including and foreign banks with more than 20 branches in India, to maintain an aggregate 40% of adjusted net bank credit or a credit equivalent amount of off-balance-sheet exposure, whichever is higher as "priority sector advances." These include advances to agriculture, micro, small and medium enterprises (including SRTOs, which constitute the significant proportion of our loan portfolio), micro enterprises within the micro and small enterprises sector, export credit, education loans, housing loans, loans for building social infrastructure and renewable energy and advances to weaker sections where the Government seeks to encourage flow of credit for developmental reasons. Banks in India that have traditionally been constrained or unable to meet these requirements organically have relied on specialised institutions such as us that are better positioned to or exclusively focus on originating such assets through on-lending or purchase of assets or securitised and assigned pools to comply with these targets. We believe our securitised and assigned asset pools are particularly attractive to these banks as such transactions provide them with an avenue to increase their asset base through low-cost investments and limited risk for meeting these targets, through co-origination of such assets, purchase of assets or investments in securitized assets.

In the event that any part of our loan portfolio is no longer classified as a priority sector advance by the RBI, or if the commercial banks directly start providing 'priority sector advances', or if the laws relating to priority sector lending as applicable to the banks undergo a change, our ability to securitise our asset pool will be hampered, which may adversely affect our financial condition, results of operations and/or cash flows. While scheduled commercial banks may still choose to lend to NBFCs they may charge higher rates to do so because

these loans no longer count towards their priority sector lending requirements. This may lead to an increase in the rates at which such loans have historically been offered to us, thus increasing our borrowing costs and adversely affecting our financial condition and results of operation.

As a result of these developments, our access to funds and the cost of our capital may be adversely affected and to the extent we are unable to secure replacement funding at similar cost or at all, our results of operations could be adversely affected.

18. We may experience difficulties in expanding our business into new regions and markets in India.

As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in our current markets, and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete not only with other banks and financial institutions but also the local unorganised or semi-organised private financiers, who are more familiar with local regulations, business practices and customs, and have stronger relationships with customers. In particular, some of our competitors may have operational advantages in terms of access to broader knowledge sources and client base and implementation of newer technologies and rationalizing related operational costs.

As on December 31, 2022, we had 2,901 branches, including 746 branches in rural centres. If we were to expand our branch network further, any such expansion may be hit by challenges localized to such centres, including any political instability, terrorism or military conflict in these regions, occurrence of natural or man-made disasters, infectious disease outbreaks or other serious public health concerns, dependence on adequate monsoon and lower employment opportunities compared to urban areas. If we grow our branch network and presence too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

If we plan to expand our geographical footprint, our business may be exposed to various additional challenges, including: obtaining necessary governmental approvals; identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India; and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions, results of operations and/or cash flows.

19. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, would negatively affect our net interest margin and our business.

The cost and availability of capital is also dependent on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position and ability to meet our obligations. Please refer to the table below for the ratings assigned to our short and long term debts, as of December 31, 2022:

Instruments	Ratings as on December 31, 2022	Credit Rating Agency
Commercial Paper	CARE A1+	CARE
Non-convertible debentures	CARE AA+/Stable	CARE
Subordinated debt	CARE AA+/Stable	CARE
Bank Loan Long-term	CRISIL AA+/Stable	CRISIL
Bank Loan Short-term	CRISIL A1+	CRISIL
Non-convertible debenture	CRISIL AA+/Stable	CRISIL
Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AA+r/Stable	CRISIL
Short term debt	CRISIL A1+	CRISIL
Subordinated debt	CRISIL AA+/Stable	CRISIL

Long-Term Issuer Default Rating	BB/ Stable	Fitch Ratings
Offshore Rupee Denominated Bond (Masala Bond)	BB	Fitch Ratings
U.S. Dollar Senior Secured Notes	BB	Fitch Ratings
Short-Term Issuer Default Rating	B	Fitch Ratings
Local Currency Long Term Issuer Default Rating	BB/ Stable	Fitch Ratings
Fixed deposits	ICRA AA+ (Stable)	ICRA
Non-convertible debenture	ICRA AA+ (Stable)	ICRA
Commercial Paper	IND A1+	India Ratings & Research Private Limited
Non-convertible debenture	IND AA+/Stable	India Ratings & Research Private Limited
Subordinated debt	IND AA+/Stable	India Ratings & Research Private Limited
Dual Recourse Market Linked Debentures	IND PP-MLD AAA(CE)emr'/ Stable	India Ratings & Research Private Limited
Dual Recourse Bond	IND AAA (CE)/Stable	India Ratings & Research Private Limited
Fixed deposit	IND AA+/Stable	India Ratings & Research Private Limited
Offshore Rupee Denominated Bond (Masala Bond)	BB-	Standard & Poor's Ratings
U.S. Dollar Senior Secured Notes	BB-	Standard & Poor's Ratings
Short-Term Issuer Credit Rating	B	Standard & Poor's Ratings
Long-Term Issuer Credit Rating	BB-/ Stable	Standard & Poor's Ratings

Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. A downgrade of our credit ratings could also result in our lenders accelerating the repayment of certain of our borrowers in accordance with the terms of our borrowing arrangements with lenders. The ratings provided by credit rating agencies may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Any such adverse development could adversely affect our business, financial condition, results of operations and/or cash flows.

20. If we are unable to successfully expand, maintain or leverage our partnership arrangements with private financiers involved in commercial vehicle financing, our business prospects, results of operations, financial conditions and/or cash flows may be affected.

Our revenue sharing arrangements with private financiers involved in commercial vehicle financing across India is an integral part of our growth strategy. As of December 31, 2022, we have entered into strategic agreements with private financiers ranging from individual financiers and small local private financiers, including other NBFCs, to capitalise on their local knowledge, infrastructure and personnel base of our partners in order to source new customers. The revenue-sharing arrangements are at pre-determined amounts.

There can be no assurance that the other party will comply with the procedural and other conditions specified by us in connection with our arrangements with them in the context of customer origination, the credit appraisal process, loan administration and monitoring and any loan recovery processes, or that our partners will not act in any manner that could adversely affect our reputation, brand, customer relationships or business interests. For

example, we have in the past experienced certain instances of fraud by some parties. There can also be no assurance that we will be able to leverage and benefit from these arrangements to effectively source a sufficient volume of new customers and business commensurate to the revenue-sharing and other incentives provided to our partners under our arrangements with them. Further, our financers or the personnel they employ may be engaged in unethical or unlawful behaviour or they may misrepresent or mis-sell our products and services. Due to this, we may also suffer from reputational and legal risks and these actions may materially and adversely affect our business, financial condition and results of operations.

In addition, we may not be able to identify suitable private financiers in the future with whom we can successfully work through such arrangements, or in joint marketing and customer support activities, and there can be no assurance that we will be able to ensure any level of success with such arrangements for any sustained period of time. Furthermore, there can be no assurance that there will not be any dispute with the other parties the arrangements in the future. If we are unable to successfully expand, maintain or leverage our arrangements and relationship with the parties to the arrangements, our business prospects, results of operations, financial conditions and/or cash flows may be adversely affected.

21. A decline in our capital adequacy ratio could restrict our future business growth.

All deposit taking NBFCs are required to maintain a minimum capital adequacy ratio, consisting of Tier I and Tier II capital, of not less than 15 % of its aggregate risk-weighted assets on balance sheet and risk- adjusted value of off-balance sheet items. Our capital adequacy ratio computed on the basis of applicable RBI requirements was 22.99% as of December 31, 2022 with Tier I Capital comprising 21.38%. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I Capital and Tier II Capital in order to continue to meet applicable capital adequacy ratios with respect to our business. Any difficulty in accessing funds required for Tier I Capital and Tier II Capital, including accessing capital markets could result in decline of our capital adequacy ratio. Further any regulatory change to the capital adequacy ratio requirements shall also have an adverse effect on our growth as we may have to raise further capital to maintain the required capital adequacy ratio. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, and this may adversely affect the growth of our business.

22. As part of our business strategy we assign or securitise a substantial portion of our loan assets to banks and other institutions. Any deterioration in the performance of any pool of receivables assigned or securitised to banks and other institutions may adversely impact our financial performance and/or cash flows.

As part of our means of raising and/or managing our funds, we assign or securitise a substantial portion of the receivables from our loan portfolio to banks and other institutions. Such assignment or securitisation transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time. Our securitised and assigned assets of Rs. 20,927.92 crores as on December 31, 2022. Any change in statutory and/or regulatory requirements in relation to assignments or securitisations by financial institutions, including the requirements prescribed by RBI and the Government of India, could have an adverse impact on our assignment or securitisation transactions. The commercial viability of assignment and securitization transactions has been significantly affected by changes and developments relating to regulation governing such transactions. Such changes include:

- prohibition on carrying out securitization/ assignment transactions at rates lower than the prescribed base rate of the bank;
- prohibition on NBFCs such as our Company from offering credit enhancements in any form and liquidity facilities in the case of loan transfers through direct assignment of cash flows;
- minimum holding period or ‘seasoning’ and minimum retention requirements of assignment and securitization loans; and
- securitization/ assignments shall be eligible for classification under priority sector only if the interest rate charged to the ultimate borrower by the originating entity does not exceed base rate of such bank plus 8% per annum.

Any adverse changes in the policy and/or regulations in connection with securitisation of assets by NBFCs and/or new circulars and/or directions issued by the RBI in this regard, affecting NBFCs or the purchasers of assets, would affect the securitisation market in general and our ability to securitise and/or assign our assets.

For such transactions, in the event that a relevant bank or institution does not realise the receivables due under such loan assets, such bank or institution would have recourse to such credit enhancement, which could have a material adverse effect on our results of operations, financial condition and/or cash flows.

23. System failures or inadequacy and security breaches in computer systems may adversely affect our business.

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services.

Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious codes and other events that could compromise data integrity and security.

Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the geographical areas in which we are located.

24. Some of our Directors may have interests in entities, which are in businesses similar to ours and this may result in conflicts of interest with us.

As on the date of this Shelf Placement Memorandum, some of our Directors also have interests, as directors or shareholders in other entities engaged in the financial services space such as banks or other NBFCs, including certain of our related parties. There can be no assurance that such Directors will not be subject to conflicts of interest or that we will be able to deal with such conflicts of interest in a timely manner.

Further, commercial transactions in the future between us and related parties may result in conflicting interests which could have an adverse effect on our operations. Such factors may have an adverse effect on the results of our operations and financial condition.

25. We may not be able to maintain our current levels of profitability due to increased costs or reduced spreads.

Our business strategy involves a relatively high level of on-going interaction with our customers. We believe that this involvement is an important part of developing our relationship with our customers, identifying new cross selling opportunities and monitoring our performance. However, this level of involvement also entails higher levels of costs and also requires a relatively higher gross spread, or margin, on the finance products we offer in order to maintain profitability. There can be no assurance that we will be able to maintain our current levels of profitability if the gross spreads on our finance products were to reduce substantially, which could adversely affect our results of operations and/or cash flows.

26. We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations, profitability and/or cash flows.

We may face potential liquidity risks due to varying periods over which our assets and liabilities mature. Based on the structural liquidity position of our Company as on December 31, 2022 as per the RBI norms, our

Company has positive asset liability cumulative mismatch of Rs. 21,952 crore over a period of six months until June 30, 2023. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as bank loans, working capital demand loans, cash credit, short-term loans and commercial paper. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations, financial performance and/or cash flows. Further, mismatches between our assets and liabilities are compounded in case of pre-payments of the financing facilities we grant to our customers.

We cannot assure you that our business will continue to generate sufficient cash to enable us to service our existing debt or to fund our other liquidity needs. Further, changes in economic, regulatory and financial conditions or lack of liquidity in the market due to internal as well as external factors could adversely affect our ability to access funds at competitive rates, which could adversely affect our liquidity and financial condition.

27. We have certain contingent liabilities which may adversely affect our financial condition.

As per our Financial Statements, as of December 31, 2022, we had certain contingent liabilities not provided for. In the event that any of these contingent liabilities materialise, our financial condition may be adversely affected. Further, in the event there is a change in any statutory/ regulatory requirement with respect to contingent liabilities, our Company may be required to make additional provisions to meet the revised criteria which may have an adverse effect on our financial condition and profitability.

28. The trademark/service mark and logo in connection with the "Shriram" brand which we use is licensed to us and consequently, any termination or non-renewal of such license may adversely affect our goodwill, operations and profitability. Our inability to register such logo and/or to adequately protect the same may adversely affect our goodwill, operations and profitability.

Pursuant to a license agreement dated November 21, 2014 between our Company and Shriram Ownership Trust ("SOT"), as amended in terms of agreement dated March 18, 2016 and novated in terms of the deed of novation cum amendment dated May 17, 2019 entered into between our Company, SOT and Shriram Value Services Limited ("SVS"), we are entitled to use the brand name "Shriram" and the associated mark. In this regard, our Company had to pay royalty to SOT until September 30, 2019 and currently to SVS (since SOT had gifted all its intellectual property in the brand name "Shriram" and its associated marks to SVS, the royalty for the same commencing from September 30, 2019 is payable to SVS) on the gross turnover of our Company. Along with the royalty, our Company also was required to pay to SOT (until September 30, 2019) and now SVS (commencing from September 30, 2019) amounts by way of reimbursement of actual expenses incurred by SOT / SVS in respect of protection and defence of the copyright. The license agreement is valid until September 30, 2024, after which the agreement will be automatically renewed for a further period of five years on the same terms, unless otherwise decided by both parties or upon occurrence of a breach by either party of the material terms of the license arrangement. The agreement is not terminable unless mutually agreed by both parties.

In the event such license agreement is terminated or is not renewed or extended in the future, we may not be entitled to use the brand name "Shriram" and the associated mark in connection with our business operations. Consequently, we will not be able to derive the goodwill that we have been enjoying under the "Shriram" brand. Further, if the commercial terms and conditions including the consideration payable pursuant to the said agreement are revised unfavourably, our Company may be required to allocate larger portions of its profits and/or revenues towards such consideration, which would adversely affect our profitability.

Our inability to register such logo and/or to adequately protect the same may adversely affect our goodwill, operations and profitability.

We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. If the license and user agreement is not renewed or terminated, we may need to change our name, trade mark/service mark or the logo. Any such change could require us to incur additional costs and may adversely impact our goodwill, business prospects and results of operations.

29. We depend on our brand reputation and our failure to maintain our product image could have a material adverse effect on our business, financial condition and results of operations.

We believe that the reputation of our brand among customers as a reliable company has contributed

significantly to the growth and success of our business. Maintaining and enhancing the recognition and reputation of our products are, therefore, critical to our business and competitiveness. Many factors, some of which are beyond our control, are important to maintaining and enhancing our product image. These factors include our ability to maintain the reliability and quality of the services we offer and increase product awareness through brand building initiatives. A public perception that we do not provide satisfactory products, even if factually incorrect or based on isolated incidents, could damage our reputation, undermine the trust and credibility we have established for our stakeholders including investors, lenders, customers and have a negative impact on our ability to attract new consumers or retain our current consumers.

30. Any adverse impact on the 'Shriram' brand may have an impact on the benefits accruing to us from the use of the brand resulting in an adverse impact on our business and results of operations.

We benefit from our relationship with 'Shriram' group in many ways, such as reputation and experience. We believe that 'Shriram' brand is perceived to be that of a trusted provider of quality products and services. Our growth and future success are influenced, in part, by our continued relationship with the 'Shriram' group. If we cease to benefit from these relationships for any reason, our business and growth prospects may decline, and our business and results of operations may be adversely affected.

We cannot assure you that the established 'Shriram' brand name will not be adversely affected in the future by events such as actions that are beyond our control, including customer complaints and dissatisfaction or adverse publicity from any other source. Negative public opinion about the financial services industry generally or about the 'Shriram' brand name, if not immediately and sufficiently remedied, can have an adverse effect on our business and results of operations.

31. Inability to assess, monitor and manage risks inherent in our business and respond to technological and sectoral changes may adversely impact our results of operations and profitability.

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and regulatory risks. The effectiveness of our risk management is limited by the quality and timeliness of available data.

Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective.

We have devoted significant resources to developing our risk management policies and procedures and expect to continue to do so in the future. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our methods of managing risk are based upon the use of observed historical market. As a result, these methods may not accurately predict future risk exposures which could be significantly greater than indicated by the historical measures. As we seek to expand the scope of our operations, we also face the risk of inability to develop risk management policies and procedures that are properly designed for those new business areas in a timely manner. Implementation and monitoring may prove particularly challenging with respect to businesses that we have recently initiated. Inability to develop and implement effective risk management policies may adversely affect our business, prospects, financial condition and results of operations.

Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFC and retail finance sector standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards. Failure to adapt to new technologies and sectoral preferences in a timely manner or at all, may adversely impact out profitability and results of operations.

32. Our Promoters, Shriram Capital Private Limited and Shriram Ownership Trust (Promoters) and Promoter Group, beneficially own 25.29 per cent. Of our equity share capital and accordingly has the ability to

exercise significant influence over the outcome of matters submitted to shareholders for approval, and their interests may differ from those of other holders of the debentures.

Our Promoters and Promoter Group beneficially own 25.29 percent of our equity share capital as on December 31, 2022 Accordingly, our Promoters have the ability to significantly influence the outcome of matters submitted to shareholders for approving the timing and distribution of dividends and the election or termination of appointment of directors. This could delay, defer or prevent or impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. In addition, for so long as our Promoters continue to exercise significant influence over our Company, it may influence the material policies of our Company in a manner that could conflict with the interests of the security holders. The Promoters may have interests that are adverse to the interests of our other shareholders and may take positions with which we or our other shareholders do not agree.

33. We have entered into certain related party transactions.

We have entered into transactions with certain related parties. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we could not have obtained more favourable terms had such transactions been entered into with unrelated parties. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

34. Any failure by us to identify, manage, complete and integrate acquisitions, divestitures and other significant transactions successfully could adversely affect our results of operations, business prospects and/or cash flows.

As part of our business strategy, we may acquire complementary companies or businesses, divest non-core businesses or assets, sale or dispose of any unit(s) or division(s), enter into strategic alliances and joint ventures and make investments/disinvestments to further our business or any other restructuring. In order to pursue this strategy successfully, we must identify suitable candidates for successfully completing such transactions, some of which may be large and complex, and manage the integration of acquired companies or employees. We may not fully realise all of the anticipated benefits of any such transaction within the anticipated timeframe or at all. Any increased or unexpected costs, unanticipated delays or failure to achieve contractual obligations could make such transactions less profitable or unprofitable. Managing business combination and investment transactions requires varying levels of management resources, which may divert our attention from other business operations, and may result in significant costs and expenses and charges to earnings. The challenges involved in integration include:

- combining product offerings and entering into new markets in which we are not experienced;
- consolidating and maintaining relationships with customers;
- consolidating and rationalising transaction processes and corporate and information technology infrastructure;
- integrating employees and managing employee issues;
- coordinating and combining administrative and other operations and relationships with third parties in accordance with applicable laws and other obligations while maintaining adequate standards, controls and procedures;
- achieving savings from infrastructure integration; and
- managing other business, infrastructure and operational integration issues.

35. Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons.

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as

selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and relationship executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees in the commercial vehicle finance sector can be intense. While we have an incentive, structure designed to encourage employee retention, our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business, future financial performance and/or cash flows.

36. Most of the properties used by our Company are occupied by our Company on lease and/or as shared office space. Any termination of the lease(s) or the other relevant agreements in connection with such properties or our failure to renew the same in a timely manner, or at all, could adversely affect our activities.

Currently, most of the properties used by our Company for the purposes of our business activities are not owned by us. Termination of leases or other relevant agreements in connection with such properties which are not owned by us or our failure to renew the same, on favourable conditions, in a timely manner, or at all, could require us to vacate such premises at short notice, and could adversely affect our operations, financial condition and profitability.

37. We are exposed to fluctuations in the market values of our investment and other asset portfolio.

Deterioration of the credit and capital markets could result in volatility of our investment earnings and impairments to our investment and asset portfolio, which could negatively impact our financial condition and reported income.

38. Being in the financial services industry, our operations may be adversely affected if we are unable to attract and retain qualified employees or if relations with employees deteriorate.

As of December 31, 2022, had 60,918 employees. Currently, none of our employees are members of any labor union. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

39. Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business.

We require certain statutory and/or regulatory permits and approvals for our business, including approvals in relation to our branch offices and other offices. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in a timely manner or at all and/or on favourable terms and conditions. Failure by us to comply with the terms and conditions to which such permits or approvals are subject and/or to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

40. Any changes in the statutory and/or regulatory requirements in connection with taxation could adversely affect our operations, profitability and cashflows.

The operations, profitability and cash flows could be adversely affected by any unfavourable changes in central and state-level statutory and/or regulatory requirements in connection with direct and indirect taxes and duties, including income tax, goods and service tax and/or by any unfavourable interpretation taken by the relevant taxation authorities and/or courts and tribunals. For example, the GST implemented with effect from July 1, 2017 has replaced the indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise, collected by the central and state governments. The GST has

increased administrative compliance for the Companies which is a consequence of increased registration and form filing requirements.

41. We are subject to supervision and regulation by the RBI and other regulatory authorities in India, and changes in regulations governing us could adversely affect our business.

We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's finance sector.

We are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI's regulations of NBFCs could change in the future which may require us to restructure our activities, incur additional cost, impose restrictions on banks in relation to the exposure to NBFCs or could otherwise adversely affect our business and our financial performance. The RBI, from time to time, amends the regulatory framework governing NBFCs to address, among others, concerns arising from certain divergent regulatory requirements for banks and NBFCs.

The RBI, from time to time, amends the regulatory framework governing NBFCs to address concerns arising from certain divergent regulatory requirements for banks and NBFCs. We are subject to the RBI's Non-Banking Financial Company –Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time.

The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, securitisation, investments, ethical issues, money laundering and privacy. In some cases, there are overlapping regulations and enforcement authorities. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could materially and adversely affect our business and our financial performance.

Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments, lending and other activities currently being carried out by our Company, involves a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. We are also subject to changes in Indian laws, regulations and accounting principles and practices. There can be no assurance that the laws governing our Company and its operations will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

Additionally, we are required to make various filings with the RBI, the Registrar of Companies and other relevant authorities pursuant to the provisions of RBI regulations, the Companies Act and other regulations. If we fail to comply with these requirements, or a regulator claims we have not complied with these requirements, we may be subject to penalties and compounding proceedings. For example, in the past there has been an instance where a penalty was imposed on us by Insurance Regulatory and Development Authority of India, which was paid and settled by us. Further, the Enforcement Directorate has imposed a penalty of Rs. 50 million on our Company, which we have filed an appeal against. Imposition of any penalty or adverse findings by the RBI or other authorities may have an adverse effect on our business, operations results, financial condition and reputation.

42. As an NBFC, non-compliance with the RBI's observations made during its periodic inspections could expose us to penalties and restrictions.

As an NBFC, we are subject to periodic inspection by the RBI under section 45N of the RBI Act, pursuant to which the RBI inspects our books of accounts and other records for the purpose of verifying compliance with applicable regulations, the correctness or completeness of any statement, information or particulars furnished to the RBI. RBI in the past issued observations pursuant to such periodic inspection and our Company had given

clarifications in this regard. For example, RBI has in the past in its inspection reports, highlighted certain alleged deficiencies such as reduction in the asset quality of our Company, improper monitoring of delegation of powers by the Board, mobilization of resources in excess of limits, breach of prescribed limits for issuance of commercial papers, deficiency in credit portfolio and shortcomings in complying with the corporate governance requirements. While we have responded to such observations and addressed them, we cannot assure you that the RBI will not make similar or other observations in the future. In the event we are unable to resolve the issues to the RBI's satisfaction, we may be restricted in our ability to conduct our business as we currently do. While we seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the observations made by the RBI, we could be subject to penalties and restrictions which may be imposed by the RBI. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse effect on our business, results of operations, financial condition and reputation.

43. Our Subsidiary is subject to periodic inspections from NHB. Noncompliance with NHB observations may have a material adverse effect on and our Subsidiary's business, financial condition or results of operation.

Our Subsidiary, Shriram Housing is subjected to periodic inspections of books of accounts and other records by NHB for verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for obtaining any information which Shriram Housing may have failed to furnish on being called upon to do so. Any irregularities found during such investigations by such regulatory authorities could similarly, expose us to warnings, penalties and restrictions. During the course of finalization of inspection, regulatory authorities may also share their findings and recommendations with us and give us an opportunity to provide justification and clarifications.

44. Our insurance coverage may not adequately protect us against losses.

We maintain such insurance coverage as we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We maintain general liability insurance coverage, including coverage for errors or omissions. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co - insurance requirement, could adversely affect our business, financial condition and results of operations.

45. We have regional concentration in southern India and western India, and therefore are dependent on the general economic conditions and activities in these areas.

We have a significant presence in south and west India. Our concentration in the southern and western states exposes us to any adverse geological, ecological, economic and/or political circumstances in that region. If there is a sustained downturn in the economy of south India or west India, or a sustained change in consumer preferences in those regions for any reason including consequences of the COVID-19 pandemic, our financial position may be adversely affected.

46. New product/services offered by us may not be successful.

We introduce new products/services to explore new business opportunities from time to time. We also give business loans to our existing customers to cater to their additional finance needs for diversifying into allied and related business. We cannot assure you that all our new products and services and business ventures and broadening of our loan products and portfolio will always be profitable and this may result in our inability to recover our costs and expenses incurred on these initiatives. Further, our inability to offer new products/services or diversify and grow in new business areas could adversely affect our business and financial performance.

47. We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.

We are required to comply with applicable Anti-Money Laundering Laws and Anti-Terrorism Laws and other regulations in India. In the course of our operations, we run the risk of failing to comply with the prescribed

KYC procedures and the consequent risk of fraud and money laundering by dishonest customers, despite putting in place systems and controls to prevent the occurrence of these risks. In certain of our activities and in our pursuit of business, we run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness, despite having a Board-approved customer suitability policy and associated processes in place. Such incidents may adversely affect our business and our reputation. Although our Company believes that it has adequate internal policies, processes and controls in place to prevent and detect any activity that would fall foul of AML provisions and to ensure KYC compliance, there can be no assurance that our Company will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties. We may accordingly be subject to regulatory actions including imposition of fines and other penalties by the RBI and other relevant governmental authorities to whom we report.

48. Our ability to pay dividends will depend on our future earnings, cash flows, working, capital requirements, financial condition, and restrictive covenants under our financing arrangement.

Any future determination as to the declaration and payment of dividends will be decided by our Board and will be subject to the discretion of the Shareholders. The amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, restrictive covenants under our financing documents and in accordance with applicable laws. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the equity shares. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be paid or that the amount thereof will not be decreased in the future.

49. Security breaches of customers' confidential information that we store may expose us to liability and harm our reputation.

As part of our business, we store and have access to customers' bank information, credit information and other sensitive data. Any accidental security breaches or other unauthorized access to confidential information could expose us to liability related to the loss of the information, legal proceedings and negative publicity. While there have been no such incidents in the past, security measures could be breached by third party actions, intrusion into our software due to flaw in the software by hackers, due to employee error and malfeasance. In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. Any security breach may cause our customers to lose confidence in the effectiveness of our data security measures, and in turn have an adverse effect on our business, operations, financial condition or cash flows.

50. Increase in competition from our peer group in the retail finance sector may result in reduction of our market share, which in turn may adversely affect our profitability.

Our Company provides loans predominantly in suburban and rural areas in India. We have been increasingly facing competition from domestic and foreign banks and NBFCs operating in the retail finance segment of the industry. Some of our competitors are very aggressive in underwriting credit risk and pricing their products and may have access to funds at a lower cost, wider networks and greater resources than our Company. Our financial condition and results of operations are dependent on our ability to obtain and maintain low cost funds and to provide prompt and quality services to our customers. If our Company is unable to access funds at a cost comparable to or lower than our competitors, we may not be able to offer loans at competitive interest rates to our customers.

As a result of increased competition in our business, the terms of various loans are becoming increasingly standardized. We cannot assure you that we will be able to react effectively to standardisation credit terms or other market developments or compete effectively with new and existing competitors. Increasing competition may have an adverse effect on our profitability, market share and results of operations. There can be no assurance that we will be able to successfully offer competitive interest rates on our loan products in the future. Increasing competition may also result in slower growth and a reduction in our net interest margin, and consequently may have an adverse effect on our results of operations and financial condition.

51. Our risk management policies and procedures may not adequately address unidentified or unanticipated risks.

We have devoted significant resources to developing our risk management policies and procedures and expect to continue to do so in the future. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our methods of managing risk are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures which could be significantly greater than indicated by the historical measures. As we seek to expand the scope of our operations, we also face the risk of inability to develop risk management policies and procedures that are properly designed for those new business areas in a timely manner. Implementation and monitoring may prove particularly challenging with respect to businesses that we have recently initiated. Inability to develop and implement effective risk management policies may adversely affect our business, prospects, financial condition and results of operations.

52. We have not independently verified certain industry data in this Shelf Placement Memorandum.

Unless stated otherwise, macroeconomic and industry data used throughout this Shelf Placement Memorandum has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Shelf Placement Memorandum is reliable, it has not been independently verified.

53. Our loans to small enterprises businesses depend on the performance of the small enterprises sector in India, and government policies and statutory and/or regulatory reforms in the small enterprises finance sector.

The Government of India has from time to time taken economic policy initiatives to promote this sector and enhance credit to small and medium enterprises. Some of the initiatives of the Government to support small enterprise financing include setting up a credit guarantee fund trust for small industries, risk sharing facilities, venture capital funding and micro credit. The small enterprises finance sector currently is catered to largely by public sector banks, public financial institutions and local unorganized private financiers.

Any change in the regulatory requirements in connection with the small enterprise finance sector, change in government policies, slowdown in liberalization and reforms affecting the sector could affect the performance of small enterprises and demand for small enterprise finance, and, in turn, our business and results of operations.

54. Our gold loans business could be adversely impacted by RBI requirements in connection with lending against security of gold jewelry.

Pursuant to the Master Directions- Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, all NBFC-Ds must (i) maintain an LTV ratio not exceeding 75 % for loans granted against the collateral of gold jewelry, and (ii) disclose in their balance sheet the percentage of such loans to their total assets.

In order to standardize the valuation and make it more transparent to the borrower, gold jewelry accepted as collateral is required to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by the Bombay Bullion Association Limited or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission. While accepting the gold as collateral, the NBFC-Ds are required to give a certificate to the borrower, on their letter head of having assayed the gold and state the purity (in terms of carats) and the weight of the gold pledged.

There can be no assurance that the regulatory regime governing gold-backed financing by NBFCs will not be made more stringent in the future. Any such developments could adversely impact our gold loans business, thereby affecting our growth, operations, profitability and cash flows.

55. Our subsidiary, Shriram Housing being an HFC, has significant exposure to the real estate sector and any negative events affecting this sector could adversely affect our business and result of operations.

The primary security for the loans disbursed by Shriram Housing is the underlying property; the value of this security is largely dependent on housing market conditions prevalent at that time. The value of the collateral on the loans disbursed by Shriram Housing may decline due to adverse market conditions including an economic downturn or a downward movement in real estate prices. In the event the real estate sector is adversely affected due to a decline of demand for real properties, changes in regulations or other trends or events, which negatively impact the real estate sector, the value of our collaterals may diminish which may affect our business

and results of operations. Failure to recover the expected value of collateral could expose us to losses and, in turn, result in a material adverse effect on our business, results of operations and financial condition.

Any change in government and regulatory policies affecting the real estate sector may also affect demand for our loans, thereby adversely affecting our results of operations. The implementation of the Real Estate (Regulation and Development) Act, 2016 (the "Real Estate Act 2016") has imposed significant compliance and reporting requirements on real estate developers, including the mandatory registration of real estate projects, restrictions on issuing advertisements or accepting advances in relation to real estate projects unless such projects are registered with the RERA and the maintenance of a separate account for depositing 70% of the amounts realized from allottees of each real estate project. Withdrawals can be made from the separate account only to cover the cost of the relevant project, in proportion to the percentage of completion of the project. Owing to the onerous compliance requirements and interpretational ambiguity arising from the Real Estate Act, the activity in the residential real estate segment may be subdued in the short term, leading to a decrease in the demand for our products.

56. Borrowing for the purchase or construction of property may not continue to offer borrowers the same fiscal benefits it currently offers and the housing sector may not continue to be regarded as a priority sector by the Government.

The rapid growth in the housing finance industry in the last decade is in part due to the introduction of fiscal benefits for homeowners. Since the early 1990s, interest and principal repayments on capital borrowed for the purchase or construction of housing have been tax deductible up to certain limits and tax rebates have been available for borrowers of such capital up to specified income levels. There can be no assurance that the Government will continue to offer such tax benefits to borrowers at the current levels or at all. In addition, there can be no assurance that the Government will not introduce tax efficient investment options which are more attractive to borrowers than property investment. The demand for housing and/or housing finance may be reduced if any of these changes occur. The RBI has also provided incentives to the housing finance industry by extending priority sector status to housing loans. In addition, pursuant to Section 36(1)(viii) of the Income Tax Act, 1961, up to 20% of profits from the provision of long-term finance for the construction or purchase of housing, may be carried to a "Special Reserve" and are not subject to income tax. There can be no assurance that the Government will continue to make this fiscal benefit available to housing finance companies. If it does not, this may result in a higher tax outflow. Under its notification no. NHB(ND)/DRS/Policy Circular 65/2014-15 dated August 22, 2014, NHB stipulated that all housing finance companies are required to create and maintain a deferred tax liability on the Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961.

57. In the two-wheeler financing and auto financing segments, we typically rely on third-party OEMs and dealers to offer our products to their potential customers. If they prefer to promote our competitors' products it could affect our growth and adversely affect our results of operations.

We rely on our non-exclusive relationships with OEMs and dealers to offer our two-wheeler financing and auto-financing products to potential customers. If these parties were to enter into exclusive arrangements with our competitors, or if they were to prefer our competitors' products, it could adversely affect our growth and results of operations.

Risks Relating to the Utilization of Issue Proceeds

The funds raised through this Issue, will be used for on lending to grow the asset book. It shall be ensured that the proceeds (a) are used in compliance with the applicable guidelines issued by Reserve Bank of India including Master Circular on Bank Finance to Non-Banking Financial Companies dated July 1, 2015, as amended from time to time, (b) are not permitted to be utilized towards activities like investment in capital markets, real estate, acquisition or purchase of land or for refinancing of debt which was used for the said purpose. The Main Objects clause of the Memorandum of Association of the Company permits the Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which the Company has been carrying on till date. The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the issue. The Company shall however ensure compliance with disclosures in relation to the same as required in terms of the SEBI Debt Listing Regulations and other applicable laws.

Risks Relating to the Debentures

1. Changes in interest rates may affect the price of our Debentures.

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

2. Debentures that are listed or quoted or admitted to trading may not lead to greater liquidity

It is not possible to predict if and to what extent a secondary market may develop in the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. If so specified in this Shelf Placement Memorandum, application has been made to list or quote or admit to trading the Debentures on the stock exchange or quotation system(s) specified. If the Debentures are so listed or quoted or admitted to trading, no assurance is given that any such listing or quotation or admission to trading will be maintained. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading. The listing of the Debentures is subject to receipt of the final listing and trading approval from the Stock Exchange.

The Company may, but is not obliged to, at any time purchase the Debentures at any price in the open market or by tender or private agreement where permitted by law. Any Debentures so purchased may be resold or surrendered for cancellation. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realise value for the Debentures prior to redemption of the Debentures.

3. Changes in government policies and laws in India may adversely affect the Debentures

Future government policies and changes in laws and regulations in India and comments, statements or policy changes by any regulator, including but not limited to the SEBI or the RBI, may adversely affect the Debentures. The timing and content of any new law or regulation is not within the Company's control and such new law, regulation, comment, statement or policy change could have an adverse effect on market for and the price of the Debentures.

4. Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally

Since 1991, successive Indian governments have pursued policies of economic liberalization. The role of the Central and State Governments in the Indian economy as producers, consumers and regulators has remained significant. If there was to be any slowdown in the economic policies, or a reversal of steps already taken, it could have an adverse effect on the debt market which as such is exposed to the risks of the Indian regulatory and policy regime and also have an impact on global economic market.

5. You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Debentures.

Our ability to pay interest accrued on the Debentures and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the Debentures and/or the interest accrued thereon in a timely manner or at all.

6. Payments to be made on the Debentures will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the Debentures.

The Debentures will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the Debentures only after all of those liabilities that rank senior to these Debentures have been paid as per relevant provisions of the Companies Act. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the Debentures.

7. Any downgrading in credit rating of our Debentures may affect the value of Debentures and thus our ability to raise further debts.

The rating of the Debentures by Rating Agency and/or agencies indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk. The ratings provided by Rating Agency may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions.

Any adverse revisions of our credit rating may adversely impact our ability to raise additional financing, the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance and our ability to obtain financing for lending operations.

8. There may be limited or sporadic trading of the Debentures on the WDM segment of the stock exchange. As a result, the liquidity and market prices of the non-convertible debentures may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the Debentures will develop. If an active market for the Debentures fails to develop or be sustained, the liquidity and market prices of the Debentures may be adversely affected. The market price of the Debentures would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country; (ii) the market for listed debt securities; (iii) general economic conditions; and (iv) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the Debentures, which may trade at a discount to the price at which you purchase the Debentures and/or be relatively illiquid.

9. The Debentures are subject to the credit risk of the Issuer and the Debenture Holders may or may not recover all or part of their investments in the Debentures on account of any default by the Issuer.

1. The Market Linked Debentures are subject to model risk

The Market Linked Debentures are created based on complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the Market Linked Debentures selected for hedging may significantly differ from the returns predicted by the mathematical models.

2. Credit Risk in relation to the Market Linked Debentures

The principal amount in the Market Linked Debenture is subject to the credit risk of the Company whereby the investor may or may not recover all or part of the funds in case of default by the Company.

3. Change or discontinuance of market linked products

Changes or discontinuance of the market linked products may affect the value of the Market Linked Debentures or may affect the return on an investment on the Market Linked Debentures. In case the regulators or the authorized bodies discontinuing or restricting the use of the benchmark/underlying, the Company will be bound to take necessary action as may be prescribed by the regulators or the authorized body or as may be required by the law or as may be required to accommodate the situation.

B. EXTERNAL RISK FACTORS

1. Majority of our business is primarily dependent on the automobile and transportation industry in India.

Our business to a large extent depends on the continued growth in the automobile and transportation industry in India, which is influenced by a number of extraneous factors which are beyond our control, inter-alia including (a) the macroeconomic environment in India, (b) the demand for transportation services, (c) natural disasters and calamities, and (d) changes in regulations and policies in connection with motor vehicles. Such factors may result in a decline in the sales or value of new and pre-owned Commercial Vehicles. Correspondingly, the demand for availing finance for new and pre-owned commercial vehicles may decline, which in turn may adversely affect our financial condition and the results of our operations. Further, the ability of Commercial Vehicles owners and/or operators to perform their obligations under existing financing agreements may be adversely affected if their businesses suffer as a result of the aforesaid factors.

2. ***Changes in environmental or other laws may lead to a decline in the sale of vehicles, which could adversely affect our business, results of operations and prospects.***

Our Company is engaged in vehicle financing across various states in India. Any regulation passed by either the central Government or any of the state Governments, or any orders of judiciary to ban the sale of a particular segment of vehicles or impose additional taxes on any particular segment of vehicles, could lead to a decline in the sales of such vehicles. For example, the Supreme Court of India imposed a ban on the sale of vehicles not complying with Bharat Emission Standards IV. Such regulatory amendments or orders of the judiciary may lead to a decline in our disbursements and adversely affect our business, results of operations and prospects.

3. ***Any slowdown in economic growth in India may adversely affect our business, results of operations and financial condition.***

Our financial performance and the quality and growth of our business depend significantly on the health of the overall Indian economy, the gross domestic product growth rate and the economic cycle in India. All our assets and employees are located in India, and we intend to continue to develop and expand reach in all parts of the country depending upon the business opportunities. Further, economic developments outside India also adversely affect the Indian economy. Accordingly, our business is affected by domestic and international economic conditions, including rates of economic growth and the impact that such economic conditions have on consumer spending.

As an NBFC, we are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as banks with whom we interact. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business, results of operations and financial condition. As the Indian financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies.

Our performance and the growth of our business depends on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely affect our business, results of operations and financial condition.

The current economic downturn has led to an increased level of consumer delinquencies, lack of consumer confidence, decreased market valuations and liquidity, increased market volatility and a widespread reduction of business activity generally, may enhance market volatility. The resulting economic pressure and dampened consumer sentiment may adversely affect our business and our results of operations.

There can be no assurances that government responses to the disruptions in the financial markets will restore consumer confidence, the markets or increase liquidity and the availability of credit. Continuation or worsening of this downturn or general economic conditions may have an adverse effect on our business, liquidity and results of operations.

4. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us.***

One of the direct adverse impacts of the global financial crisis on India has been the reversal of capital inflows and a decline in exports, leading to pressures on the balance of payments and a sharp depreciation of the Indian Rupee vis-à-vis the U.S. dollar. Any increased intervention by the RBI in the foreign exchange market to control the volatility of the exchange rate may result in a decline in India's foreign exchange reserves and reduced liquidity and higher interest rates in the Indian economy, which could adversely affect our business and our future financial performance.

5. ***Any downgrading of India's debt rating by an international rating agency could adversely affect our business, results of operations and financial condition.***

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional finances at favourable interest rates and other commercial

terms. For example, Fitch Ratings has recently revised the outlook on India's sovereign ratings from stable to negative, while Moody's Investors Services has downgraded foreign currency and local currency long term issuer ratings to Baa3. This could have an adverse effect on our growth, financial performance and our operations.

6. Civil unrest, acts of violence, including terrorism or war involving India and other countries, could materially and adversely affect the financial markets and our business.

Civil unrest, acts of violence, including terrorism or war, may negatively affect the Indian stock markets and also materially and adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately materially and adversely affect our business. Although the governments of India and neighbouring countries have recently been engaged in conciliatory efforts, any deterioration in relations between India and neighbouring countries might result in investor concern about stability in the region, which could materially and adversely affect our business, results of operations and financial condition.

7. Our business may be adversely impacted by natural calamities, unfavourable climatic changes, health epidemics or pandemics.

Natural disasters such as floods, earthquakes, famines and droughts have in the past had a negative impact on the Indian economy. Further, health epidemics and pandemics like the recent COVID-19 pandemic have also affected the Indian economy negatively. If any such natural disaster, unfavourable climatic changes or health epidemics and pandemics were to occur, our business could be affected due to the event itself or due to the inability to effectively manage the effects of the particular event.

Our operations, including our branch network, may be damaged or disrupted as a result of political instability, natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our branch network. Any of the above factors may adversely affect our business, results of operations and financial condition.

8. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The central or state government may in the future further increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

9. Investors may have difficulty enforcing foreign judgments in India against our Company or our management.

Our Company is a limited liability public company incorporated under the laws of India. Most of our Company's directors and executive officers named herein are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors to affect service of process on our Company or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India. In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The manner of recognition and enforcement of foreign judgments in India is dependent on whether the country in which the foreign judgment has been pronounced is a reciprocating territory or not. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. The Issuer cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

10. Use of Market Data

Unless stated otherwise, macroeconomic and industry data used throughout this Shelf Placement Memorandum has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Shelf Placement Memorandum is reliable, it has not been independently verified.

SECTION 3: REGULATORY DISCLOSURES

PART A

This Shelf Placement Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section the Issuer has set out the details required as per Schedule II of the SEBI NCS Regulations as amended from time to time.

A. ISSUER INFORMATION

a. Brief summary of the business / activities of the Issuer and its line of business

i. Overview of the business of the Issuer

The Company is registered as a deposit-taking NBFC with the Reserve Bank of India under Section 45IA of the Reserve Bank of India Act, 1934. Shriram Finance Limited is the country's biggest retail NBFC offering credit solutions for commercial vehicles, two-wheeler loans, car loans, home loans, gold loans, personal and small enterprise/ MSME loans, and a large fixed deposit franchise Pan-India. We are part of the 48-year-old Shriram Group, a financial conglomerate that has emerged as a trusted partner in creating transformative experiences and lasting impressions in customers' lives.

Shriram City Union Finance Limited and Shriram Capital Limited merged with Shriram Transport Finance Company Limited whose name has been changed to Shriram Finance Limited. Powered by cutting-edge technology, Shriram Finance Limited is a digitally mature financial institution that reflects the banking needs of Millennial and Gen-Z customers. The Company offers priority financial services to those in the unbanked and underbanked sectors, expanding our innovative product pipeline at every stage of disruption. The Company has over 6.98 million customers and has an Asset Under Management (AUM) of over INR 1.77 trillion. Shriram Finance has branches, rural centres and outlets in 3,600+ locations and an employee strength of over 60,000 across India as of 31 December 2022. Our Company is also registered with Insurance Regulatory and Development Authority of India as a corporate agent to deal in general insurance and life insurance since 2013.

Our network of branches across India has been a key driver of our growth over the years. As of December 31, 2022, we had 2901 branches across India. We have also established our presence in 746 rural centres as of December 31, 2022. We have also strategically expanded our marketing network and operations by entering into revenue sharing agreements with more than 500 private financiers in the unorganised sector involved in commercial vehicle financing. As of December 31, 2022, the total number of our employees was 60,918.

Our AUM as of December 31, 2022 was Rs. 1,77,498.17 Crore (comprising assets under financing activities of Rs. 1,75,843.85 Crore and loan assets assigned of Rs. 1,654.31 Crore) on a standalone basis. Our capital adequacy ratio as of December 31, 2022 computed on the basis of applicable RBI requirements was 22.99% on standalone basis, compared to RBI stipulated minimum requirement of 15.00%. Our capital adequacy ratio as of March 31, 2022 computed on the basis of applicable RBI requirements was 22.97% on a standalone basis, compared to the RBI stipulated minimum requirement of 15.00%. Our Stage 3 Assets as a percentage of Total Loan Assets was 6.29% and our Stage 3 Assets net of Stage 3 Provision as a percentage of Net Loan Assets was 3.20% as of December 31, 2022, compared to 7.07%and 3.67% as of March 31, 2022 on a standalone basis, respectively.

Our Company's Financial Products

We have successfully diversified our product portfolio, which consists of commercial vehicle loans and loans to the small enterprise finance segment, two wheeler loans, loans against gold, auto loans, personal loans and housing finance loans. Within each of these segments, we offer a wide array of products to our customers. Each of our products differs in terms of the average tenure, average yield, average interest rate and average size of loan.

As per our Standalone Financial Statements, as of December 31, 2022, our assets under our management product portfolio comprised of commercial vehicle financing of 51.1%, passenger vehicles 17.9%, construction equipments 7.8%, Farm equipments 1.9%, MSME 9.9%, Two wheelers 5.6%, Gold 2.5%, Personal loans and other loans 3.3% , respectively of our total AUM.

We believe that our diverse revenue streams reduce our dependence on any particular product, thus enabling us to spread and mitigate our risk exposure to any particular industry, business or customer segment.

As part of our presence in the entire commercial vehicle financing ecosystem, we also provide various types of working capital loans to our customers for the purchase of vehicle parts, tyres, insurance, repairs, etc. in connection with the operation of their trucks and other commercial vehicles. We also offer fuel financing.

Our Customer Base

Commercial Vehicle Segment

Our customer base is predominantly first time buyers ("**FTB**") and small road transport operators ("**SRTOs**"), other commercial vehicle operators and smaller construction equipment operators. We also provide trade finance to commercial vehicle operators. These customers typically have limited access to bank loans for commercial vehicle financing and limited credit histories. Our loans are secured by a hypothecation of the asset financed.

Small Enterprise Finance Segment

Our target customers in the small enterprise finance segment typically consist of self-employed professionals, wholesale and retail dealers, merchants, builders, small and medium scale manufacturing concerns and service providers. Typically, customers avail such borrowings to fund their businesses' expansion and to meet their working capital requirements. Each small enterprise finance loan is typically customized to suit the requirements of the customer after having assessed and understood their business model.

Two-Wheeler Loans

Our target customers in this segment typically include salaried and self-employed individuals in rural and semi urban areas. We also enter into arrangements with OEMs and dealers to offer our financial products to their potential customers, locally or nationwide, as the case may be.

Personal Loans

In the personal loan segment, we target customer segments that do not have easy access to banks or other modes of financing for immediate short- or medium-term funding requirements within reasonable time. Customers typically seek personal loans for medical treatment, education and weddings. Our officials reach out directly to our personal loan customers and visit them at their doorstep to carry out loan origination and credit evaluation, so as to ensure speedy processing of loans.

Housing Finance

We provide housing finance loans through our subsidiary Shriram Housing Finance Limited, which is registered as a non-deposit accepting HFC with the National Housing Bank. We grant housing finance loans for buying, renovating, extending and improving homes.

Miscellaneous

Our Company is also registered with the IRDAI as a corporate agent. Our Company deals in life insurance and general insurance products. Our Company has entered into agreements with Shriram General Insurance Company Limited ("SGIC"), Bajaj Allianz General Insurance Company Limited ("BAGICL") and Go Digit General Insurance Limited ("Go Digit") whereby the Company is appointed as their 'corporate agent' and is authorized to market and solicit insurance products provided by SGIC, BAGICL and Go Digit to its customers and clients subject to the limits prescribed and on the terms and conditions agreed to between the parties.

OUR COMPANY'S OPERATIONS

Branch Network

As of December 31, 2022, we have a wide network of 2,901 branches across India and 60,918 employees. We have established branches at commercial vehicle hubs along various road transportation routes across India. As of December 31, 2022, all of our branch offices were connected to servers at our Corporate Office to enable real-time information with respect to our loan disbursement and recovery administration. Our customer origination efforts strategically focus on building long term relationships with our customers and address specific issues and local business requirements of potential customers in a specific region.

Revenue Sharing Agreements with Private Financiers

We believe that SRTOs and FTBs in India generally have limited banking habits and credit history as well as inadequate legal documentation for verification of creditworthiness. In addition, because of the mobile nature of the hypothecated assets, SRTOs and FTBs may have limited access to bank financing for pre-owned and new commercial vehicle financing. As a result, the pre-owned truck financing market in India is dominated by private financiers in the unorganised sector. We have strategically expanded our marketing and customer origination network by entering into revenue sharing agreements with more than 500 private financiers, as of March 31, 2021, located across India involved in commercial vehicle financing. We have established a stable relationship with our revenue sharing partners through our extensive branch network. As a result of the personnel-intensive requirements of our business model, we rely on revenue sharing arrangements to effectively leverage the local knowledge, infrastructure and personnel base of our revenue sharing partners.

In our typical revenue sharing agreements with our revenue sharing partners, we ensure that the revenue sharing partner sources the applications for pre-owned and new commercial vehicle financing based on certain assessment criteria we specify, and is generally responsible for ensuring the authenticity of the customer information and documentation. The decision to approve a loan is, however, at our discretion.

Our Company's Operations

Branding/ advertising

We use the brand name "Shriram" for marketing our products pursuant to a license agreement dated November 21, 2014 between our Company and Shriram Ownership Trust ("SOT"), as amended in terms of agreement dated March 18, 2016 and novated in terms of the deed of novation cum amendment dated May 17, 2019 entered into between our Company, SOT and Shriram Value Services Limited ("SVS"). We believe that our brand is well recognised in India. We have launched various publicity campaigns through print and other media specifically targeted at our target customer profile to create awareness of our product features, including our speedy loan approval process, with the intention of creating and enhancing our product identity. We believe that our emphasis on product promotion will be a significant contributor to our results of operations in the future.

Customer Evaluation, Credit Appraisal and Disbursement

Due to our customer profile, in addition to a credit evaluation of the borrower, we rely on guarantor arrangements, the availability of security, referrals from existing relationships and close client relationships in order to manage our asset quality. All customer origination and evaluation, loan disbursement, loan administration and monitoring as well as loan recovery processes are carried out by our relationship executives. We do not utilise or engage direct selling or other marketing and distribution agents or appraisers to carry out these processes. We follow certain procedures for the evaluation of the creditworthiness of potential borrowers. The typical credit appraisal process is described below:

Initial Evaluation

When a customer is identified and the requisite information for a financing proposal is received, a branch manager or relationship executive meets with the customer to assess the customer's loan requirements and creditworthiness. The proposal form requires the customer to provide information on the customer's age, address, employment details and annual income, as well as information on outstanding loans. The customer is required to provide proof of identification and residence for verification purposes. In connection with the loan application, the customer is also required to furnish a guarantor, preferably an existing or former customer, wherever required. Detailed information relating to the guarantor is also required.

Credit Policies

We follow stringent credit policies to ensure the asset quality of our loans and the security provided for those loans. Any deviation from such credit policies in connection with a loan application requires prior approval. Our credit policies include the following:

In connection with any secured retail or small enterprise loan (other than loans secured by gold), we generally require immovable or movable property to be provided as security for the value of the loan amount and conduct appropriate legal diligence and valuation of such properties. In cases where the borrower is unable to provide property as security, the borrower is required to furnish a guarantee from an acceptable guarantor.

For our two-wheeler and vehicle loans, the two-wheeler or vehicle is hypothecated in favour of our Company until closure of the loan.

With respect to gold loans, the principal form of security we accept is gold ornaments. We typically do not extend loans against bullion, gold bars, coins or biscuits. The amount that we finance against gold is typically based on a fixed rate per gram of gold content in the jewellery. We appraise gold jewellery based on pre-defined policies and solely based on its gold content, without factoring in production cost, style, brand or value of any gemstones. Each business outlet offering gold loans has designated executives for gold appraisal who operate under a clear policy regarding their function and responsibilities. We generally lend between 50% and 60% of the price of gold as arrived at in line with the guidelines of RBI, and our loan amount is generally lower than the guidelines prescribed by RBI.

We finance vehicles that are used for commercial purposes. As these are income-generating assets, we believe that this asset type reduces our credit risk. Our loans include hypothecations in our favour. Loans must be secured by the personal guarantee of the borrower as well as at least one third party guarantor. The guarantor must be a commercial vehicle owner, preferably our existing or former customer, and preferably operating in the same locality as the borrower. Comprehensive insurance is required. We typically extend loans to vehicles that are less than 12 years but age limit may vary as per usability in specific geographies.
The maximum period for repayment in case of assets shall not be more than 84 months. Security received from the borrower is released on repayment of all dues or on collection of the entire outstanding loan amount, provided no other existing right or lien for any other claim exists against the borrower.

Approval Process

The branch manager evaluates the loan proposal based on the creditworthiness of the borrower, proposed end use of the loan, reference from existing customer(s) and nature of security provided by the borrower. In addition, our branch managers may also consider other factors in the approval process such as the location and the time period of residence, subsisting liabilities, past repayment records, and sources of income.

The branch manager is authorised to approve a loan if the proposal meets the criteria established for the approval of a loan. We inform the customer of the outcome of the approval process, as well as the amount of loan approved, the terms and conditions of such financing, including the rate of interest (annualised) and the application of such interest during the tenure of the loan. A sanction letter is issued to the borrower incorporating all the financial details such as the loan amount, tenure and rate of interest and the loan disbursement takes place only on getting the sanction letter duly accepted by the borrower.

Prior to the loan disbursement, the loan officer ensures that a KYC checklist is completed by the Applicant. The loan officer verifies such information provided and includes such records in the relevant loan file. The loan officer is also required to ensure that the contents of the loan documents are explained in detail to the borrower, either in English or in the local language of the borrower, and a statement to such effect is included as part of the loan documentation. The borrower is provided with a copy of the loan documents executed by him.

Disbursement

Margin money and other charges are collected prior to loan disbursements. The disbursing officer retains evidence of the customer's acceptance of the terms and conditions of the loan as part of the loan documentation. Our Company has initiated steps to encourage the customers to make payments of loan instalments through internet banking and card payment.

Loan administration and monitoring

The borrower and the relevant guarantor are required to execute a standard form of Loan cum Hypothecation Agreement setting out the terms of the loan. A loan repayment schedule is attached as a schedule to the Loan cum Hypothecation Agreement, which generally sets out monthly repayment terms. The Loan cum Hypothecation Agreement also requires a promissory note to be executed containing an unconditional promise of payment to be signed by both the borrower and the relevant guarantor.

We provide payment options: cash, cheque, demand draft, mobile wallets, UPI, NACH and USSD. Repayments are made in monthly instalments. Loans disbursed are recovered from the customer in accordance with the loan terms and conditions agreed with the customer. As a service to our customers, our relationship executives offer to visit the customers on the payment date to collect the instalments due. We track loan repayment schedules of our customers, on a monthly basis, based on the outstanding tenure of the loans, the number of instalments due and defaults committed, if any. This data is analysed based on the vehicles financed and location of the customer.

Our management information system (**MIS**) department and centralised operating team monitors compliance with the terms and conditions for credit facilities. We monitor the completeness of documentation and creation of security through regular visits to our branches by our regional as well as head office executives and internal auditors. All borrower accounts are reviewed at least once a year, with a higher frequency for larger exposures and delinquent borrowers. Our lending team reviews collections regularly, personally contacts borrowers that have defaulted on their loan payments and conducts day-to-day operations including collection of instalments from 150 to 200 borrowers each, depending on territorial dispersal. Each branch customarily limits its loans to reasonable numbers, which enables closer monitoring of receivables. A new branch is opened to handle additional customers beyond that limit to ensure appropriate risk management. Close monitoring of debt servicing efficiency enables us to maintain high recovery ratios.

Collection and Recovery

We believe that our loan recovery procedure is particularly well suited to our target market as reflected by our high loan recovery ratios. The entire collection operation is administered in-house and we do not outsource loan recovery and collection operations. In the case of default, the reasons for the default are identified by the local relationship executive and appropriate action is initiated, such as requiring partial repayment and/or seeking additional guarantees or collateral.

For every 30 days of delay in loan instalment payments, the matter is escalated to our branch managers. In the event of a default on three loan instalments, the branch manager is required to make a personal visit to the borrower to determine the gravity of the loan recovery problem and provide suitable solutions.

We may initiate the process for repossession of the vehicle in the event of a default. Branch managers are trained to repossess underlying asset and no external agency is involved in such repossession. Repossessed vehicles are held at designated secured facilities for eventual sale. The notice to the customer specifies the outstanding amount to be paid within a specified period, failing which the vehicle may be disposed of. In the event that there is a shortfall in the recovery of the outstanding amount from the sale of the vehicle, legal proceedings against the customer may be initiated. Same recovery process is followed for other Loans also.

ASSET QUALITY

Our Company being an NBFC is covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and is required to comply with Ind AS for the preparation of their financial statements. Our Company records allowance for ECL for all loans, other debt financial instruments not held at fair value through profit and loss account.

Impairment of Financial Assets

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of the financial instrument. The 12 month ECL is the portion of Lifetime ECL that represents the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both Lifetime ECL and the 12 month ECL are calculated on collective basis grouped based on its loan portfolio into SME business loans, secured loans for new vehicles, secured loans for used vehicles, secured loans for equipment finance loans, etc.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since its initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment at the borrower level. If a borrower has various facilities having different past dues status, then the highest days past due is considered to be applicable for all the facilities of that borrower. Based on the above principal, the company categorizes its loans into Stage 1, Stage 2 and Stage 3 as described below:

The Company classifies all standard advances up to 30 days default period under Stage 1 where there has not been a significant increase in credit risk since its initial recognition or low credit risk at the reporting date and that are not credit impaired upon origination. All the exposures where there has been a significant increase in credit risk since its initial recognition but are not credit impaired are classified under Stage 2. Thirty days past due is considered as a significant increase in credit risk. All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified as Stage 3. For exposure that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying effective interest rate to be amortized cost (net of provision) rather than the gross carrying amount.

RBI has by its notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, issued instructions and guidelines relate to specific prudential aspects of Ind AS implementation by NBFCs. As per the said notification, NBFCs shall hold impairment allowances as required by Ind AS. In parallel NBFCs shall also maintain the asset classification and compute provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning ("IRACP") including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc. A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 should be disclosed by NBFCs/ARCs in the notes to their financial statements to provide a benchmark to their Boards, RBI supervisors and other stakeholders, on the adequacy of provisioning for credit losses.

The following table sets forth, data regarding our Stage 3 Assets and capital adequacy ratios as per our Standalone Financial Statements:

(Rs. in crore)

	As on December 31, 2022 (SFL)	**As on September 30, 2022 (SFL)**	**As on September 30, 2022 (STFC)**	**As on March 31, 2022 (STFC)**	**As on March 31, 2021 (STFC)**
Stage 3 Assets	11,058.61	10,583.05	9267.07	8,887.55	8,292.81
Stage 3 Asset net of Stage 3 Provision	5,450.55	5,390.79	4488.32	4446.05	4,806.68
Total Loan Assets as per Ind AS (gross of Provisions) (1)	175,842.23	167,769.99	133730.69	125,699.03	1,16,191.59
Net Loan Assets as per Ind AS (Net of Provisions) (2)	165,044.30	157,624.38	124128.60	116,665.15	1,12,705.46
Stage 3 Assets as a percentage of Total Loan Asset As per Ind AS (per cent.) (3)	6.29%	6.31%	6.93%	7.07%	7.06%
Stage 3 Asset net of Stage 3 Provision as a percentage of Net Loan Assets as per Ind AS (per cent.) (4)	3.20%	3.32%	3.48%	3.67%	4.26%
Tier I Capital Adequacy Ratio (per cent.)	21.38%	21.51%	20.59%	20.70%	19.94%
Tier II Capital Adequacy Ratio (per cent.)	1.60%	1.69%	1.89%	2.27%	2.56%

Note - The figures for the period after the appointed date for the merger of STFC and the Merged Entities (i.e. April 01, 2022) have been restated to take the effect of merger and are therefore not comparable with figures of STFC for the corresponding previous year periods or previously reported figures of STFC for the said quarters.

(2) *SFL means Shriram Finance Limited*

(3) STFC means Shriram Transport Finance Company Limited

(4) Merged Entities means Shriram Capital Limited and Shriram City Union Finance Limited

(1) Total Loan Assets as per Ind AS (gross of provisions): Secured hypothecation loans, other secured loans, retained interest on securitisation, unsecured loans and unsecured advance for hypothecation loans and includes accrued interest on loans given, unamortised loan origination cost and net of unamortised processing fee as determined under Ind AS excluding provisions.
(2) Net Loan Assets as per Ind AS (Net of Provisions): Secured hypothecation loans, other secured loans, retained interest on securitisation, unsecured loans and unsecured advance for hypothecation loans and includes accrued interest on loans given, unamortised loan origination cost and net of unamortised processing fee as determined under Ind AS as adjusted for ECL provisions.
(3) Stage 3 Assets as a percentage of Loan Book As per Ind AS: Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS.
(4) Stage 3 Assets net of Stage 3 Provision.

As per our Standalone Financial Statements, our Stage 3 Assets as a percentage of total loan assets was 6.29% and 6.31% as at December 31, 2022 and September 30, 2022 respectively and our net Stage 3 Assets as a percentage of net loan assets was 3.20% and 3.32% as at December 31, 2022 and September 30, 2022, respectively. We believe that our eventual write offs are relatively low because of our relationship-based customer origination and customer support, prudent loan approval processes (including adequate collateral being obtained), and our ability to repossess and dispose of such collateral in a timely manner

Other Business Initiatives

Our Company has entered into agreements with three petroleum retailers, wherein our Company has agreed to provide credit facilities to customers to enable them to purchase automotive fuels and lubricants from the retail outlets of these companies. In terms of these agreements, our Company conducts an assessment of the credibility of an applicant and sanctions credit limits, pursuant to which such members are eligible to purchase fuel and lubricants at retail outlets basis the credit limits sanctioned by our Company.

Funding Sources

We have expanded our sources of funds in order to reduce our funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to achieve funding stability and liquidity. Our sources of funding comprise term loans (including term loans from banks and financial institutions), cash credit from banks, redeemable non-convertible debentures, subordinated bonds, short-term commercial paper and inter-corporate deposits. Our Company also mobilises fixed deposits.

As per our Standalone Financial Statements, as of December 31, 2022, we had an outstanding secured debt of Rs. 1,14,102.78 crore and unsecured debt of Rs. 39,224.79 crore, which were Rs 1,21,003.35 crore and Rs. 37213.62 crore as of September 30, 2022, respectively.

Borrowings

The following table sets forth the principal components of our secured borrowings, as per our Standalone Financial Statements:

(Rs. in crore except percentage)

Particulars	As on December 31, 2022 (SFL)		As on September 30, 2022 (SFL)		As on September 30, 2022		As on March 31, 2022		As on March 31, 2021		As on March 31, 2020	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Senior secured notes	876.86	0.77	859.01	0.71	859.01	0.89	891.40	1.01	888.35	1.05	1,204.92	1.58
External commercial bond –Secured	11,474.72	10.06	18,402.98	15.21	18,402.98	19.15	19,011.29	16.60	17,779.55	20.95	12,607.01	16.53
Redeemable non-convertible debentures – Secured												
- Privately placed	29,768.96	26.09	30,768.66	25.43	23,925.58	24.90	18,768.05	21.36	15,153.29	17.85	14,204.14	18.62
- Public issue	2,730.47	2.39	2,695.59	2.23	2,488.88	2.59	2,500.63	2.85	5,776.24	6.81	5,796.78	7.60
Term loans Secured												
Term loan from banks – INR	32,376.40	28.37	32,112.55	26.54	19,102.00	19.88	16,755.62	19.07	13,304.70	15.67	13,259.27	17.38
Term loan from financial institutions/corporates – INR	8,682.36	7.61	9,474.80	7.83	5,966.11	6.21	5,685.24	6.47	3,783.20	4.46	1,446.29	1.90
External commercial borrowing – FCNR	7,140.46	6.26	6,373.12	5.27	6,373.12	6.63	4,243.13	4.83	4,122.49	4.86	4,300.61	5.64
Term loan from banks - INR -Securitisation	20,268.09	17.76	19,845.57	16.40	18,646.02	19.40	19,538.08	22.24	23,403.60	27.57	21,452.04	28.12

Particulars	As on December 31, 2022 (SFL)		As on September 30, 2022 (SFL)		As on September 30, 2022		As on March 31, 2022		As on March 31, 2021		As on March 31, 2020	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Loans repayable on demand from Banks (Cash Credit from banks)	784.46	0.69	471.07	0.39	335.01	0.35	454.86	0.52	667.38	0.79	2,016.39	2.64
Total secured borrowings	**1,14,102.78**	**100.00**	**1,21,003.35**	**100.00**	**96.098.71**	**100.00**	**87,848.30**	**100**	**84,878.80**	**100**	**76,287.44**	**100**

Note - (1) The figures for the period after the appointed date for the merger of STFC and the Merged Entities (i.e. April 01, 2022) have been restated to take the effect of merger and are therefore not comparable with figures of STFC for the corresponding previous year periods or previously reported figures of STFC for the said quarters.
(2) *SFL means Shriram Finance Limited*
(3) STFC means Shriram Transport Finance Company Limited
(4) Merged Entities means Shriram Capital Limited and Shriram City Union Finance Limited

Increasingly, we depend on term loans from banks and the issue of redeemable non-convertible debentures as the primary sources of our funding. We believe that we have developed stable long term relationships with our lenders, have established a track record of timely servicing of our debts, and have been able to secure fixed rate long term loans of three to five years tenure to stabilise our cost of borrowings.

As per our Standalone Financial Statements, as of December 31, 2022; the aggregate outstanding amount of secured redeemable non-convertible debentures was Rs. 32,499.43 crore as compared to Rs. 33,464.25 crore as of September 30, 2022.

Our short-term fund requirements are primarily funded by cash credit from banks, including working capital loans. Cash credit from banks outstanding, as of December 31, 2022 was Rs. 784.46 crore while as of September 30, 2022, it was Rs.471.07 crore.

The following table sets forth the principal components of our unsecured borrowings as per our Standalone Financial Statements:

(Rs. in crore except percentage)

Particulars	As of December 31, 2022 (SFL)		As of September 30, 2022 (SFL)		As of September 30, 2022		As of March 31, 2022		As of March 31, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Redeemable non-convertible debentures – Unsecured										
- Privately placed	93.65	0.24	90.8	0.24	90.80	0.31	85.18	0.32	464.44	2.18
Deposits										
i. Public deposits	27,780.58	70.82	30767.75	82.68	23,041.44	78.14	20190.08	75.76	15,790.71	74.07
ii. From corporate	6,708.46	17.10	1776.26	4.77	1,776.26	6.02	1,729.76	6.49	392.11	1.84
iii. From others (Inter-corporate deposits from associate)	7.08	0.02	1.08	0.00	1.08	0.00	29.14	0.11	49.59	0.23
Subordinated debt	4,635.02	11.82	4577.73	12.30	4,577.73	15.52	4614.25	17.32%	4,620.76	21.68
Total unsecured borrowings	**39,224.79**	**100.00**	**37213.62**	**100.00**	**29,487.31**	**100.00**	**26,648.41**	**100.00**	**21,317.61**	**100.00**

As per our Standalone Financial Statements, as of December 31, 2022, our outstanding subordinated debt amounted to Rs. 4635.02 crore which stood at Rs. 4577.73 crore as of September 30, 2022. The debt is subordinated to our present and future senior indebtedness.

Securitisation and Assignment of Portfolio against Financing Activities

We also undertake securitisation and assignment transactions to increase our capital adequacy ratio, increase the efficiency of our loan portfolio and as a cost-effective source of funds. We sell part of our assets under financing activities from time to time through securitisation and assignment transactions as well as direct assignment. Our securitisation and assignment transactions involve provision of additional collateral and deposits or bank/corporate guarantee.

We continue to provide administration services for the securitised and assigned portfolio, the expenses for which are provided for at the outset of each transaction. The gains arising out of securitisation and assignment, which vary according to a number of factors such as the tenor of the securitised and assigned portfolio, the yield on the portfolio

securitised and assigned and the discounting rate applied, are treated as income over the tenure of agreements as per RBI guidelines on securitisation of standard assets. Loss, if any, is recognised upfront.

Treasury Operations

Our treasury operations are mainly focused on meeting our funding requirements and managing short-term surpluses. Our fund requirements are currently predominantly met through loans and by issue of debentures to banks, financial institutions and mutual funds. We also place commercial paper and mobilise retail fixed deposits (including secured non-convertible debentures) and inter-corporate deposits. We have also raised subordinated loans eligible for Tier II capital. We believe that through our treasury operations, we are able to maintain our ability to repay borrowings as they mature and obtain new loans at competitive rates.

Our treasury department undertakes liquidity management by seeking to maintain an optimum level of liquidity and complying with the RBI requirement of asset liability management. The objective is to ensure the smooth functioning of all our branches and at the same time avoid the holding of excessive cash. Our treasury maintains a balance between interest-earning liquid assets and cash to optimise earnings.

Our treasury department also manages the collection and disbursement activities from our corporate office in Mumbai. We actively manage our cash and funds flow using various cash management services provided by banks. As part of our treasury activities, we also invest our surplus funds in fixed deposits with banks, liquid debt-based mutual funds and government securities. Our investments are made in accordance with the investment policy approved by the Board.

Our investments are predominantly in government securities, mutual funds, bank fixed deposits and certificates of deposit with banks.

Capital Adequacy

We are subject to the capital adequacy ratio ("CAR") requirements prescribed by the RBI. We are currently required to maintain a minimum CAR of 15.00%, as prescribed under the Master Directions on Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time, based on our total capital to risk-weighted assets. All deposit taking NBFCs have to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, which shall not be less than 15.00% of its aggregate risk-weighted assets on balance sheet and risk adjusted value of off-balance sheet items. We ordinarily maintain capital adequacy higher than the statutorily prescribed CAR. As of March 31, 2022, our CAR computed on the basis of applicable RBI requirements was 22.97% compared to the minimum capital adequacy requirement of 15.00% stipulated by the RBI.

The following table sets out our capital adequacy ratios derived from Ind AS on a standalone basis as on December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020:

Particulars	As of December 31, 2022	As of March 31, 2022	As of March 31, 2021	As of March 31, 2020
Capital adequacy ratio (per cent.)	22.99%	22.97%	22.50%	21.99%
Tier I Capital Adequacy Ratio (per cent.)	21.38%	20.70%	19.94%	18.13%
Tier II Capital Adequacy Ratio (per cent.)	1.60%	2.27%	2.56%	3.86%

Given the relatively minimal scale of our present operations in our other business lines such as corporate agency for insurance, we do not directly compete with others in these segments. However, as our operations in our other business lines expand, we may face significant competition in these segments in future.

Competition

In our principal business line, the pre-owned commercial vehicle financing sector, we experience competition from private unorganised financiers that principally operate in the local market. These private operators have significant local market expertise, but lack brand image and organizational structure. For new commercial vehicle financing, we compete with more conventional lenders, such as banks and other NBFCs. Given the relatively minimal scale of our present operations in our other business lines, we do not directly compete with others in these segments. However, as our operations in our other business lines expand, we may face significant competition in these segments in future.

Credit Rating

The following table sets forth certain information with respect to our credit ratings as on December 31, 2022:

Credit Rating Agency	Instruments	Ratings as on December 31, 2022
CARE	Commercial Paper	CARE A1+
CARE	Non-convertible debentures	CARE AA+/Stable
CARE	Subordinated debt	CARE AA+/Stable
CRISIL	Bank Loan Long-term	CRISIL AA+/Stable
CRISIL	Bank Loan Short-term	CRISIL A1+
CRISIL	Non-convertible debenture	CRISIL AA+/Stable
CRISIL	Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AA+r/Stable
CRISIL	Short term debt	CRISIL A1+
CRISIL	Subordinated debt	CRISIL AA+/Stable
Fitch Ratings	Long-Term Issuer Default Rating	BB/ Stable
Fitch Ratings	Offshore Rupee Denominated Bond (Masala Bond)	BB
Fitch Ratings	U.S. Dollar Senior Secured Notes	BB
Fitch Ratings	Short-Term Issuer Default Rating	B
Fitch Ratings	Local Currency Long Term Issuer Default Rating	BB/ Stable
ICRA	Fixed deposit	[ICRA] AA+ (Stable)
ICRA	Non-convertible debenture	ICRA AA+ (Stable)
India Ratings & Research Private Limited	Commercial Paper	IND A1+
India Ratings & Research Private Limited	Non-convertible debenture	IND AA+/Stable
India Ratings & Research Private Limited	Subordinated debt	IND AA+/Stable
India Ratings & Research Private Limited	Dual Recourse Market Linked Debentures	IND PP-MLD AAA(CE)emr'/ Stable
India Ratings & Research Private Limited	Dual Recourse Bond	IND AAA (CE)/Stable
India Ratings & Research Private Limited	Fixed deposit	IND AA+/Stable
Standard & Poor's Ratings	Offshore Rupee Denominated Bond (Masala Bond)	BB-
Standard & Poor's Ratings	U.S. Dollar Senior Secured Notes	BB-
Standard & Poor's Ratings	Short-Term Issuer Credit Rating	B
Standard & Poor's Ratings	Long-Term Issuer Credit Rating	BB-/ Stable

The rating of the long term and short term instruments by Rating Agency and/or Agencies indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk.

Risk Management

We have developed a strong risk-assessment model in order to maintain healthy asset quality. The key risks and risk-mitigation principles we apply to address these risks are summarized below:

Interest Rate Risk

Our results of operations are dependent upon the level of our net interest margins. Net interest income is the difference between our interest income and interest expense. Since our balance sheet consists of rupee assets and predominantly Rupee liabilities, movements in domestic interest rates constitute the primary source of interest rate

risk. We assess and manage the interest rate risk on our balance sheet through the process of asset liability management. We borrow funds at fixed and floating rates of interest, while we extend credit at fixed rates. In the absence of proper planning and in a market where liquidity is limited, our net interest margin may decline, which may impact our revenues and ability to exploit business opportunities.

We have developed stable long-term relationships with our lenders and established a track record of timely servicing our debts. This has enabled us to become a preferred customer with most of the major banks and financial institutions with whom we do business. Moreover, our valuation capabilities enable us to invest in good quality assets with stable, attractive yields. Significantly, our loans are classified as priority sector assets by the RBI, such that these loans, when securitised, find a ready market with various financial institutions, including our lenders.

Liquidity Risk

Liquidity risk arises due to non-availability of adequate funds or non-availability of adequate funds at an appropriate cost, or of appropriate tenure, to meet our business requirements. This risk is minimised through a mix of strategies, including asset securitisation and assignment and temporary asset liability gap.

We monitor liquidity risk through our asset liability management (ALM) function with the help of liquidity gap reports. This involves the categorisation of all assets and liabilities into different maturity profiles and evaluating these items for any mismatches in any particular maturities, especially in the short-term. The ALM policy has capped the maximum mismatches in the various maturities in line with RBI guidelines and ALCO guidelines.

To address liquidity risk, we have developed expertise in mobilising long-term and short-term funds at competitive interest rates, according to the requirements of the situation. For instance, we structure our indebtedness to adequately cover the average three-year tenure of loans we extend. As a matter of practice, we generally do not deploy funds raised from short-term borrowing for long-term lending.

Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Cash management risk

Our branches collect a substantial amount of our customers' payments in cash. Lack of proper cash management practices could lead to losses. To address cash management risks, we have developed advanced cash management checks that we employ at every level to track and tally accounts. Moreover, we conduct regular audits to ensure the highest levels of compliance with our cash management systems. Customers are gradually migrating towards non-cash payment modes such as NACH and Digital. Customers can use "MyShriram" app on their smartphones or create a login under "Customer online" option on the Company website http://www.stfc.in and make loan repayments. We are educating our customers for EMI payment through payment gateways and payments through debit cards by swiping them in our POS machines at the branches.

Employees

As of December 31, 2022, the total number of our employees was 60,918
We have built a highly capable workforce primarily by recruiting fresh graduates. As our business model requires an entrepreneurial approach in dealing with truck operators, we prefer to recruit and train fresh graduates in achieving our objectives. Moreover, we prefer to recruit our workforce from the area in which they will be serving our customers, in order to benefit from the workforce's knowledge of the local culture, language, preferences and territory. We emphasise both classroom training and on-the-job skills acquisition. Post recruitment, an employee undergoes induction training to gain an understanding of our Company and our operations. Our relationship executives are responsible for customer origination, loan administration and monitoring as well as loan recovery,

which enables them to develop strong relationships with our customers. We believe our transparent organisational structure ensures efficient communication and feedback and drives our performance-driven work culture.

In a business where personal relationships are an important driver of growth, relationship executive attrition may lead to loss of business. We therefore endeavour to build common values and goals throughout our organisation, and strive to ensure a progressive career path for promising employees and retention of quality intellectual capital in our Company. We provide a performance-based progressive career path for our employees. For instance, we introduced an employee stock option plan in 2005 for eligible employees. We believe our attrition rates are among the lowest in the industry at managerial levels.

Intellectual Property

Pursuant to a license agreement dated November 21, 2014 between our Company and Shriram Ownership Trust ("SOT"), as amended in terms of agreement dated March 18, 2016 and novated in terms of the deed of novation cum amendment dated May 17, 2019 entered into between our Company, SOT and Shriram Value Services Limited ("SVS"), we are entitled to use the brand name "Shriram" and the associated mark. In this regard, our Company had to pay royalty to SOT until September 30, 2019 and currently to SVS (since SOT had gifted all its intellectual property in the brand name "Shriram" and its associated marks to SVS, the royalty for the same commencing from September 30, 2019 is payable to SVS) on the gross turnover of our Company. Along with the royalty, our Company also was required to pay to SOT (until September 30, 2019) and now SVS (commencing from September 30, 2019) amounts by way of reimbursement of actual expenses incurred by SOT / SVS in respect of protection and defense of the copyright. The license agreement is valid until September 30, 2024, after which the agreement will be automatically renewed for a further period of five years on the same terms, unless otherwise decided by both parties or upon occurrence of a breach by either party of the material terms of the license arrangement. The agreement is not terminable unless mutually agreed by both parties.

Technology

We use information technology as a strategic tool in our business operations to improve our overall productivity. We believe that our information systems enable us to manage our nationwide operations network well, as well as to effectively monitor and control risks.

Our Company has various security controls in place to mitigate risks and safeguard the Company against security breaches and technological lapses, including established disaster recovery centres located in different seismic zones, periodic upgrading of servers and data storage, accreditation from the International Organisation for Standardisation for our Company's information security management system and regular audits.

All our branches are online, connected through a virtual private network with our central server located at our data centre.

Property

Our registered office is at Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu, India. Our corporate office is at Wockhardt Towers, Level 3, West Wing, C-2, G BlockBandra Kurla Complex, Bandra (East), Mumbai – 400 051, India. As of December 31,2022, we had 2901 branches across India. 901 We typically enter into lease agreements for these strategic business units and branch locations.

C. HISTORY, MAIN OBJECTS AND KEY AGREEMENTS

Brief background of our Company

Our Company was incorporated as a public limited company under the provisions of the Companies Act, 1956, by a certificate of incorporation dated June 30, 1979, issued by the RoC. Our Company commenced its operations, pursuant to a certificate of commencement of business dated October 9, 1979. Subsequently, our Company has obtained a certificate of registration dated September 4, 2000 bearing registration no. A-07-00459 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934, which has been renewed on April 17, 2007 (bearing registration no. 07-00459).

The board of directors of Shriram Transport Finance Company Limited ("**STFCL**") in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation ("**Scheme**"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited ("**SCL**") and Shriram City Union Finance Limited ("**SCUF**", collectively with SCL, the "**Merged Entities**") with STFCL under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

STFCL had obtained approvals/no objection to the Scheme from various statutory authorities, as applicable, and had filed the petition before the Hon'ble National Company Law Tribunal, Chennai Bench ("**NCLT**") for sanction of the Scheme, which was listed for final hearing on October 19, 2022. The NCLT has by a common order pronounced on November 09, 2022, sanctioning the scheme. On November 14, 2022, the Company received the certified true copy of the common order dated November 14, 2022 issued by the NCLT sanctioning the Scheme. The appointed date of the Scheme was April 1, 2022 and the Scheme was effective from the date on which the common order of the Hon'ble NCLT was filed with the Registrar of Companies, Chennai. Further, pursuant to the common order of the Hon'ble NCLT and consequent upon receipt of fresh 'Certificate of Incorporation pursuant to change of name' the name of Shriram Transport Finance Company Limited has been changed to Shriram Finance Limited ("**SFL**").

Registered office and change in registered office of our Company

The registered office of our Company is at Sri Towers, 14A, South Phase, Industrial Estate, Guindy Chennai, Tamil Nadu – 600 032.

Corporate Structure

Shriram Capital Private Limited (formerly known as Shriram Financial Ventures Pvt Ltd) and Shriram Ownership Trust are the Promoters of the Company. Our Company has a subsidiary company called Shriram Housing Finance Limited.

Amalgamation of Shriram Investments Limited and Shriram Overseas Finance Limited with our Company

The Hon'ble High Court of Madras vide its order dated November 25, 2005, approved the scheme of arrangement and amalgamation of the erstwhile SIL, with our Company ("SIL Scheme of Merger"). The appointed date for the SIL Scheme of Merger was April 1, 2005 and the record date for the purposes of re-organisation and issue of shares pursuant to the SIL Scheme of Merger was December 21, 2005.

The Hon'ble High Court of Madras vide its order dated December 1, 2006, approved the scheme of arrangement and amalgamation of the erstwhile SOFL with our Company ("SOFL Scheme of Merger"). The appointed date for the SOFL Scheme of Merger was April 1, 2005 and the record date for the purposes of re-organisation and issue of shares pursuant to the SOFL Scheme of Merger was February 9, 2007.

Amalgamation of Shriram Holdings (Madras) Private Limited with our Company

Pursuant to the SHMPL Scheme of Merger sanctioned under Section 391 to 394 read with Section 100 to 104 of the Companies Act, 1956, between our Company and SHMPL, as approved by the Hon'ble High Court of Madras vide the Merger Order, the business and undertaking of SHMPL, our erstwhile promoter, was merged into our Company with a view of, inter alia, reducing shareholding tiers, optimizing administrative costs and enabling the shareholders of SHMPL to hold equity shares directly in our Company. The appointed date under the SHMPL Scheme of Merger was April 1, 2012, and the SHMPL Scheme of Merger became effective from November 5, 2012 when a certified true copy of the order of the Hon'ble High Court of Madras approving the SHMPL Scheme of Merger was filed with the ROC by SHMPL and our Company, ("SHMPL Effective Date"). On the SHMPL Effective Date, SHMPL was merged into our Company without winding up of SHMPL under Section 394 of the Companies Act, 1956. Pursuant to the SHMPL Scheme of Merger, 9,38,72,380 equity shares of the face value of Rs.10 each fully paid up of our Company, were issued and allotted, to the members of SHMPL whose names were recorded in the register of members of SHMPL on November 5, 2012 in connection with the SHMPL Scheme of Merger, in the ratio of 313:124 i.e. 313 equity shares of the face value of Rs.10 each fully paid up of our Company issued for every 124 equity shares of the face value of Rs.10 each fully paid up of SHMPL, held by the respective members thereof. Accordingly, 9,33,71,512 (Nine crores thirty-three lakhs seventy-one thousand five hundred and twelve only) equity shares of the face value of Rs.10 each of our Company, earlier held by SHMPL stood cancelled pursuant to the SHMPL Scheme of Merger coming into effect.

Amalgamation of Shriram Equipment Finance Company Limited with our Company

Pursuant to the SEFCL Scheme of Merger sanctioned under Section 391 to 394 of the Companies Act, 1956, and the other applicable provisions of the Act between our Company and SEFCL, as approved by the Hon'ble High Court of Madras vide the SEFCL Merger Order dated March 31, 2016. Accordingly, the business and undertaking of SEFCL, our erstwhile subsidiary, was merged into our Company to enable greater focus and attain synergy benefits which would inter alia result in simplification of group structures, integration of operations, better administration and cost reduction. The appointed date under the SEFCL Scheme of Merger was April 1, 2015, and the SEFCL Scheme of

Merger became effective from April 19, 2016 when a certified true copy of the order of the Hon'ble High Court of Madras approving the SEFCL Scheme of Merger was filed with the ROC by SEFCL and our Company, ("SEFCL Effective Date"). On the SEFCL Effective Date, SEFCL was merged into our Company without winding up of SEFCL under Section 394 of the Companies Act, 1956 and the authorized share capital of our Company was reorganised from Rs.5,97,00,00,000 divided into 39,70,00,000 Equity Shares and 2,00,00,000 cumulative redeemable preference shares of Rs.100 each to ₹15,97,00,00,000 divided into 64,70,00,000 Equity Shares of Rs.10 each and 9,50,00,000 redeemable preference shares of Rs.100 each. Pursuant to the SEFCL Effective Date, no equity shares of our Company were allotted in lieu of our Company holding shares in SEFCL and the share capital of SEFCL stood cancelled.

Amalgamation of Shriram City Union Finance Limited and Shriram Capital Limited with our Company

Pursuant to Composite Scheme of Arrangement and Amalgamation which include merger of Shriram City Union Finance Limited (SCUF) and Shriram Capital Limited (SCL) with Shriram Transport Finance Company Limited (Scheme) sanctioned by the Hon'ble National Company Law Tribunal, Special Bench – II, Chennai vide its order dated November 14, 2022 read with Corrigendum dated November 17, 2022 to the order ("Order"). The Appointed Date of the Scheme is April 1, 2022. Pursuant to Clause 6.9 of the Scheme, the name of the Company had changed from "Shriram Transport Finance Company Limited" to "Shriram Finance Limited" with effect from November 30, 2022 upon the receipt of 'Certificate of Incorporation pursuant to change of name' issued by the Registrar of Companies (RoC-Chennai). The authorised share capital of our Company was reorganised from Rs. 15,970,000,000 divided into 647,000,000 Equity Shares of Rs. 10 each and 95,000,000 redeemable preference shares of Rs. 100 each to Rs. 426,550,000,000 divided into 2,975,500,000 Equity Shares of Rs. 10 each and 129,000,000 preference shares of Rs. 100 each. 17,43,44,710 equity shares of face value of Rs.10 each of the Company were issued and allotted to the members of SCUF and SCL whose names appeared in the Register of Members of SCUF and SCL as on Record Date i.e. November 30, 2022 in the share exchange ratio of 155 equity shares of Rs.10/- each fully paid up of the Company for every 100 equity shares of Rs.10/- each fully paid up of SCUF and 97,83,305 Equity Shares of Rs.10/- each fully paid up of the Company for every 10,00,00,000 Equity Shares of Rs. l/- each fully paid up of SCL. Accordingly, 2,23,71,594 Equity Shares of face value of Rs.10 each held by SCL in SCUF and 7,04,37,147 equity shares of face value of Rs.10 each of the Company held by SCL stood cancelled pursuant to the Scheme coming into effect.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

- To carry on and undertake business as Financiers and Capitalists, to finance operations of all kinds such as managing, purchasing, selling, hiring, letting on hire and dealing in all kinds of vehicles, motor cars, motor buses, motor lorries, scooters and all other vehicles;

- To undertake and carry on all operations and transactions in regard to business of any kind in the same way as an individual capitalist may lawfully undertake and carry out and in particular the financing Hire Purchase Contracts relating to vehicles of all kinds;

- To carry on and undertake business as Financier and Capitalists to finance operations of all kinds such as managing, purchasing, selling, hiring, letting on hire and dealing in all kinds of property, movable or immovable goods, chattels, lands, bullion;

- To undertake and carry on all operations and transactions in regard to business of any kind in the same manner as an individual capitalist may lawfully undertake and carryout and in particular financing hire purchase contracts relating to property or assets of any description either immovable or movable such as houses, lands, stocks, shares, Government Bonds;

- To carry on and become engaged in financial, monetary and other business transactions that are usually and commonly carried on by Commercial Financing Houses, Shroffs, Credit Corporations, Merchants, Factory, Trade and General Financiers and Capitalists;

- To lend, with or without security, deposit or advance money, securities and property to, or with, such persons and on such terms as may seem expedient;

- To purchase or otherwise acquire all forms of immovable and movable property including Machinery, Equipment, Motor Vehicles, Building, Cinema Houses, Animals and all consumer and Industrial items and to lease or otherwise deal with them in any manner whatsoever including resale thereof, regardless of whether the property purchased, and leased be new and/or used;

- To provide a leasing advisory counselling service to other entities and/or form the leasing arm for other entities;

- The Company shall either singly or in association with other Bodies Corporate act as Asset Management Company/Manager/Fund Manager in respect of any Scheme of Mutual Fund whether Open-End Scheme or Closed-end Scheme, floated/ to be floated by any Trust/Mutual Fund (whether offshore or on shore)/ Company by providing management of Mutual Fund for both offshore and onshore Mutual Funds, Financial Services Consultancy, exchange of research and analysis on commercial basis;

- Constitute any trust and to subscribe and act as, and to undertake and carry on the office or offices and duties of trustees, custodian trustees, executors, administrators, liquidators, receivers, treasurers, attorneys, nominees and agents; and to manage the funds of all kinds of trusts and to render periodic advice on investments, finance, taxation and to invest these funds from time to time in various forms of investments including shares, term loans and debentures etc.;

- Carry on and undertake the business of portfolio investment and Management, for both individuals as well as large Corporate Bodies and/or such other bodies as approved by the Government, in Equity Shares, Preference Shares, Stock, Debentures (both convertible and non-convertible), Company deposits, bonds, units, loans obligations and securities issued or guaranteed by Indian or Foreign Governments, States, Dominions, Sovereigns, Municipalities or Public Authorities and/or any other Financial Instruments, and to provide a package of Investment/Merchant Banking Services by acting as Managers to Public Issue of securities, to act as underwriters, issue house and to carry on the business of Registrar to Public issue/various investment schemes and to act as Brokers to Public Issue;

- Without prejudice to the generality of the foregoing to acquire any share, stocks, debentures, debenture-stock, bonds, units of any Mutual Fund Scheme or any other statutory body including Unit Trust of India, obligations or securities by original subscription, and/or through markets both primary, secondary or otherwise participating in syndicates, tender, purchase, (through any stock exchange, OTC exchange or privately), exchange or otherwise and to subscribe for the same whether or not fully paid up, either conditionally or otherwise, to guarantee the subscription thereof and to exercise and to enforce all rights and powers conferred by or incidental to the ownership thereof and to advance deposit or lend money against securities and properties to or with any company, body corporate, firms, person or association or without security and on such terms as may be determined from time to time;

- To engage in Merchant Banking activities, Venture Capital, acquisitions, amalgamations and all related merchant banking activities including loan syndication;

- To carry on the business as manufacturers, Exporters, Importers, Contractors, Sub-contractors, Sellers, Buyers, Lessors or Lessees and Agents for Wind Electric Generators and turbines, Hydro turbines, Thermal Turbines, Solar modules and components and parts including Rotor blades, Braking systems, Tower, Nacelle, Control unit, Generators, etc. and to set up Wind Farms for the company and/or for others either singly or jointly and also to generate, acquire by purchase in bulk, accumulate, sell, distribute and supply electricity and other power (subject to and in accordance with the laws in force from time to time);

- To carry on business of an investment company or an Investment Trust Company, to undertake and transact trust and agency investment, financial business, financiers and for that purpose to lend or invest money and negotiate loans in any form or manner, to draw, accept, endorse, discount, buy, sell and deal in bills of exchange, hundies, promissory notes and other negotiable instruments and securities and also to issue on commission, to subscribe for, underwrite, take, acquire and hold, sell and exchange and deal in shares, stocks, bonds or debentures or securities of any Government or Public Authority or Company, gold and silver and bullion and to form, promote and subsidise and assist companies, syndicates and partnership to promote and finance industrial enterprises and also to give any guarantees for payment of money or performance of any obligation or undertaking, to give advances, loans and subscribe to the capital of industrial undertakings and to undertake any business transaction or operation commonly carried on or undertaken by capitalists, promoters, financiers and underwriters;

- To act as investors, guarantors, underwriters and financiers with the object of financing Industrial Enterprises, to lend or deal with the money either with or without interest or security including in current or deposit account with any bank or banks, other person or persons upon such terms, conditions and manner as may from time to time be determined and to receive money on deposit or loan upon such terms

and conditions as our Company may approve provided that our Company shall not do any banking business as defined under the Banking Regulations Act, 1949;

- To carry on in India or elsewhere the business of consultancy services in various fields, such as, general, administrative, commercial, financial, legal, economic, labour and industrial relations, public relations, statistical, accountancy, taxation and other allied services, promoting, enhancing propagating the activity of investment in securities, tendering necessary services related thereto, advising the potential investors on investment activities, acting as brokers, sub-brokers, Investment Consultant and to act as marketing agents, general agents, sub agents for individuals/ bodies corporate/Institutions for marketing of shares, securities, stocks, bonds, fully convertible debentures, partly convertible debentures, Non-convertible debentures, debenture stocks, warrants, certificates, premium notes, mortgages, obligations, inter corporate deposits, call money deposits, public deposits, commercial papers, general insurance products, life insurance products and other similar instruments whether issued by government, semi government, local authorities, public sector undertakings, companies corporations, co-operative societies, and other similar organizations at national and international levels;

- To carry on the business of buying, selling of trucks and other CVs and reconditioning, repairing, remodelling, redesigning of the vehicles and also acting as dealer for the said vehicles, for all the second hand commercial and other vehicles and to carry on the business of buying, selling, importing, exporting, distributing, assembling, repairing and dealing in all types of vehicles including re-conditioned and re-manufactured automobiles, two and three wheelers, tractors, trucks and other vehicles and automobile spares, replacement parts, accessories, tools, implements, tyres and tubes, auto lamps, bulbs, tail light and head light bulbs, assemblies and all other spare parts and accessories as may be required in the automobile industry.

- To engage in the business of investment promotion including facilitating strategic investor/private equity investor/ third parties to invest in promoted entities, to form, promote any Company or Companies, whether Indian or foreign, having amongst its or their objects the acquisition of all or any of the assets or control or development of the Company which could or might directly or indirectly assist the Company in the management of its business or the development of its properties and to pay all or any of the costs and expenses in connection with any such promotion or incorporation and to renumerate any person or Company in any matter it shall think fit for services rendered or to be rendered in obtaining subscriptions for or guaranteeing the subscription of or placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of the Company.

- To carry on the business of portfolio managers in syndicates in software and in shares, debentures, stocks or any other money market instruments.

Subsidiaries or associate companies

As on the date of this Shelf Placement Memorandum, our Company has one Shriram Housing Finance Limited (SHFL) unlisted subsidiary company in which the Company holds 85.02% equity share capital. SHFL is a Non-Deposit-accepting housing finance company registered with the National Housing Bank and regulated by Reserve Bank of India (Registration Number- 08.0094.11). SHFL obtained license in August 2011 from NHB and started operations in December 2011. SHFL,CIN- U65929TN2010PLC078004 has its registered office at 123,Angappa Naicken Street, Chennai- 600001 and corporate office at Level 3, East Wing, Wockhardt Towers, C-2, G Block, Bandra – Kurla Complex, Mumbai – 400 051, www.shriramhousing.in with Branches in India. The equity shares of SHFL are not listed on any of stock exchange, but has debt securities listed on BSE Limited. SHFL provides loans for the purchase or construction of residential space and loans against property.

Our Company holds 44.56% of the ownership interest in Shriram Automall India Limited, which is the only associate company of our Company.

ii. Corporate Structure of the Company

The Company is managed by its Board of Directors. The Promoters of the Company are Shriram Capital Private Limited (formerly, Shriram Financial Ventures Pvt Limited) and Shriram Ownership Trust. The Company has a subsidiary company called Shriram Housing Finance Limited and an Associate Shriram Automall India Limited

Key terms of our Material Agreements

License agreement dated November 21, 2014, between Shriram Ownership Trust ("SOT") and our Company read with the Addendum no. 1 to the license agreement dated March 18, 2016, between the same parties read with deed of novation cum amendment dated May 17, 2019, between the same parties and Shriram Value Services Limited ("SVS") (the "License Agreement")

Pursuant to the License Agreement, SOT granted a non-exclusive license on a non-transferable and non-assignable basis to use the brand name "SHRIRAM" and the associated mark (the "Brand Name") to our Company in connection with the business activities of our Company in the territory of India during the term of the Brand Name. Pursuant to SOT gifting its intellectual property in "SHRIRAM" and associated marks to SVS, the Company, SOT and SVS have entered into a deed of novation cum amendment dated May 17, 2019 to record the same.

The main terms of the License Agreement include:

Consideration: A license fee of 1.00 per cent. on the total income of our Company every financial year. The total amount of license fee the Company pays to SOT (upto September 30, 2019) and to SVS (after September 30, 2019) in a Fiscal shall be subject to a ceiling of 5.00 127 per cent. of the profit of the Company before tax and license fee with effect from April 1, 2015. Duration: The License Agreement will remain in force for a period of five years commencing from until September 30, 2024, after which the agreement will be automatically renewed for a further period of five years on the same terms, unless otherwise decided by both parties or upon occurrence of a breach by either party of the material terms of the license arrangement. The agreement is not terminable unless mutually agreed by both parties. Each party is entitled to terminate this Agreement upon a material breach of the terms and conditions of the license set forth in the agreement by the other party, which has not been cured within a period of 90 days following receipt of written notice of such breach.

Arbitration: Any dispute or difference arising between SOT / SVS and our Company shall be referred to an arbitrator decided on a mutual consent and the decision of the arbitrator is final and binding on both the parties. The place of arbitration shall be in Chennai.

Service Agreement dated December 26, 2022 between Shriram Financial Ventures (Chennai) Private Limited (now Shriram Capital Private Limited) and our Company, ("Service Agreement")

Our Company has executed the Service Agreement with Shriram Financial Ventures (Chennai) Private Limited (now Shriram Capital Private Limited) ("SCPL") for formalising its arrangement with regard to the role and services to be provided by SCPL to our Company. The main terms of the Service Agreement are:

(a) Role of SCPL: SCPL shall provide certain high-end business and management support services to the Company which are extremely critical from the perspective of business operations of the Company. As these services are extremely strategic in nature and the Company will require these services of strategic nature from SCPL. These cover key areas such as strategy, synergy, business development, risk management, regulatory and taxation compliances, external relations, etc.

(b) Consideration: Rs.22,00,00,000 per annum (Rupees twenty two crore only) payable in equal quarterly instalments, excluding taxes (like Service Tax / GST etc. as may be applicable). The Fee shall be payable with effect from 1st December 2022. The Fee shall stand increased by 5% (five percent) per annum from December 1st of every year over the Fee paid during the previous year.

(c) Term: The Service Agreement came into effect on December 01, 2022 and shall remain valid for a period of 5 (five) years unless terminated earlier by either party with notice period of 1 (one) year. On the expiry of 5 (five) years, this Agreement shall automatically stand renewed with the same annual increases as set out herein, unless otherwise agreed to in writing between the SCPL and the Company.

(d) Arbitration: All disputes under the Service Agreement shall be settled by arbitration by a sole arbitrator to be mutually agreed by the parties in accordance with the provisions of Arbitration and Conciliation Act, 1996. The place of arbitration is in Chennai and the language of arbitration is English.

LEGAL PROCEEDINGS

We are, from time to time, involved in a number of legal proceedings in the ordinary course of our business, which involve matters pertaining to, amongst others, tax, regulatory, recovery proceedings and other disputes.

Except as disclosed below, there is no outstanding litigation involving our Company that would have a material and adverse effect on the operations or the financial position of the Company.

Further, except as stated below, our Company is not aware of any pending litigation involving the Company which involves issues of moral turpitude or criminal liability, material violations of statutory regulations or proceedings relating to economic offences.

1. Our Company filed an appeal before the Supreme Court of India, Special Leave Petition (Civil) (9711-9713) of 2014 against the common final judgment and order dated October 8, 2013 passed by the High Court of Judicature at Calcutta in Writ Petition No. 24 of 2010, Writ Petition No. 4 of 2011 and Writ Petition No. 6 of 2011 challenging the decision to uphold the imposition of value added tax on NBFCs disposing off vehicles for recovery of loans taken by borrowers by treating said NBFCs as dealers as defined under Section 2 (11) of the West Bengal Value Added Tax 2003. The aforesaid matter is pending hearing and final decision.

2. Our Company, on April 8, 2019, received a show cause notice dated March 30, 2019 (the "**SCN**") from the Directorate of Enforcement which functions under the aegis of Ministry of Finance, Government of India. The SCN relates to the issue of warrants by SHMPL to a non-resident investor pursuant to a share subscription agreement executed in 2006. It is alleged in the SCN that warrants issued by SHMPL were not permitted instruments which could be issued to non-resident investors in 2006 and accordingly there was a contravention of provisions of the FEMA and the relevant rules made thereunder to the extent of Rs. 24,360.12 lacs. The SCN was issued to our Company in its capacity as a successor in interest of SHMPL to show cause as to why adjudication proceedings should not be initiated against it and certain individuals who were the then directors of SHMPL at the relevant time. During 2006 and 2007, SHMPL, which was classified as an investment holding company under the applicable regulatory regime, issued equity shares and warrants to Newbridge India Investments II Limited (the "**Newbridge**"). The approval granted by the Foreign Investment Promotion Board, also functioning under the aegis of Ministry of Finance, Government of India ("**FIPB**") (the "**FIPB Approval**"), permitted SHMPL to issue equity shares to the Newbridge and investment by SHMPL in equity shares and warrants to be issued by three non-banking financial companies in which 100% foreign direct investment was permitted under the extant direct foreign investment policy of the government of India, utilising the monies received from the Newbridge. All warrants issued by SHMPL to the Newbridge were converted into equity shares of SHMPL in 2006 and 2007. There was a delay on the part of SHMPL in filing the relevant forms indicating the receipt of monies from the Newbridge and issue of equity shares and warrants against such receipt, and the relevant forms were filed in 2013 (after amalgamation of SHMPL with our Company). Our Company, in the capacity of successor of interest of erstwhile SHMPL had filed a compounding application for the delay and had paid the penalty imposed on us by the RBI. At this time, the RBI had referred to the FIPB Approval (as amended by a subsequent letter from the FIPB dated January 31, 2006) and indicated that since the FIPB Approval only mentioned the issue of equity shares to the Newbridge, a post-facto approval/ clarification be obtained from the FIPB regarding issue of warrants to the Newbridge. Accordingly, our Company had, in a letter dated March 14, 2013 written to the FIPB, in response to which a letter dated March 20, 2013 was received by our Company from the FIPB stating that the policy regarding issue of warrants was not explicit in the year 2006 when the warrants in question were issued by then SHMPL and that since the warrants in question have already been converted into equity shares, there was no requirement of their approval. In the years 2016 and 2017, the Enforcement Directorate raised queries in relation to the aforementioned issue of warrants in the year 2006 by SHMPL, to which our Company has responded and provided all documents requested, including by way of personal appearances and submissions made by our executive director and senior management personnel. Pursuant thereto, the Company received the SCN on April 8, 2019. Our Company has filed its reply to the SCN on June 6, 2019 setting out why the Company believes that the issuance of the SCN was not warranted. The Company received an order dated March 4, 2020 from the Directorate of Enforcement ("**ED**") which imposed a penalty of Rs. 50,000,000 on the Company in connection with the matter citing contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000. In this regard, the ED has also levied a penalty of Rs. 5,000,000, each, on three persons, the then directors of the erstwhile SHMPL. Our Company has further filed a writ petition dated June 4, 2020 before the High Court of Madras, requesting, *inter alia*, for a stay of the order dated March 4, 2020. On July 1, 2020, the High Court of Madras has admitted the Company's writ petition challenging the order dated March 04, 2020 of the Directorate of Enforcement (ED) levying penalty of Rs. 50,000,000 on the Company and granted conditional stay order with the direction to the Company to deposit 25% of the penalty amount in the Court and the three persons to deposit 10% of their respective penalty amounts with the court within four weeks. The Company has deposited the amount with the Hon'ble Madras High Court. The matter is sub judice. The Deputy Legal Adviser,

Directorate of Enforcement has filed an appeal before the Hon'ble Appellate Tribunal for Foreign Exchange, New Delhi (Appellate Tribunal) against the said order dated March 04, 2020 of the Special Director of Enforcement. The Company will contest the appeal filed in the Hon'ble Appellate Tribunal in the competent forum to seek appropriate legal remedy.

In relation to the SCN received by the Company in relation to the issue of warrants by SHMPL, our Company and our Director Mr. Ravi Devaki Venkataramam (erstwhile director of SHMPL and two persons, the erstwhile directors of the erstwhile SHMPL have received notices dated February 24, 2021 issued by the Zonal office of the Enforcement Directorate ("**Final Demand Notices**"), referring to its order of March 4, 2020 and the fact that payment has not been made as per the terms of the aforementioned notice. The notice provides a final opportunity to the addressees to make payment of the balance amount (over and beyond the monies deposited in accordance with the conditional stay order of the High Court of Madras) within 10 days of receipt of the notice. On March 11, 2021 the Company, said Director and the two erstwhile directors of SHMPL have sent replies to the Final Demand Notice, referring to the stay order granted by the High Court of Madras and stating that amounts paid by them have been paid as per the directions of the High Court of Madras. The reply further highlights that the order of the High Court was issued in the presence of the Enforcement Directorate and the payment of monies in accordance with the order has been acknowledged by the Enforcement Directorate. Accordingly, the replies call for withdrawal of the Final Demand Notices.

3. Transgulf Frozen Food Containers Private Limited had filed, a first information report against, *inter alia*, our Company, our former director Mr. Arun Duggal and our Director Mr. Umesh Govind Revankar, on December 26, 2014 at the Kavi Nagar Police Station, District Ghaziabad under Sections 420, 467, 468, 471 and 120-B of the Indian Penal Code, 1860. A charge sheet was filed and a criminal case no. 10030 of 2016 read with case no. 2784/2017 was initiated against our Company. Mr. Umesh Revankar, director made personal appearance in the Court on 6th October,2022 and denied all charges contained in the charged sheet filed against him. His discharge application is pending in the court. Mr. Arun Duggal has sought exemption for personal appearance in the Court .Vide order dated 19th October, 2022, the Hon'ble High Court, Allahabad , allowed his application for exemption from personal appearance in the court and quashed the impugned order dated 29th September, 2019 passed by the Additional Sessions Judge , Ghaziabad in Criminal Application No. 32 of 2019 and order dated 27th October,2018 passed by the Additional Chief Judicial Magistrate , Ghaziabad in Criminal case No. 2784 of 2017 and remanded the case to the Trial Court, Ghaziabad to consider and decide the discharge application of Mr. Arun Duggal afresh in accordance with law. The Trial Court, Ghaziabad pronounced its order on 6th December, 2022 to dismiss the discharge application of Mr. Arun Duggal. The copy of the order is awaited. Mr. Arun Duggal will consider the various legal remedies challenging the order, including filing appeal/revision application against this order before the Session Court, Ghaziabad.

4. Status: challan already presented before Court and now fixed for Evidence. For Mr. Arun Duggal, a revision petition is filed before the session court against the Discharge application.

5. Mr. Praveen Sharma has filed a first information report dated August 3, 2015 under Sections 406, 420, 465 and 506 of the Indian Penal Code, 1860, against,*inter alia*, our Director, Mr. Umesh Govind Revankar in relation to non-payment of his fees. The matter is currently pending before the Chief Judicial Magistrate, Lucknow. Thereafter, Mr. Revankar and certain other defendants had filed a petition before the High Court seeking quashing of the FIR. The petition has been disposed off by the High Court by way of an order dated April 25, 2016 on the ground that the cause of action was purely of a civil nature and with a direction to the State of UP to file the final report. The complainant has subsequently filed a protest petition before the Chief Judicial Magistrate, Lucknow, which is currently pending.

6. Mr. Abhishek Shukla has filed a first information report dated October 18, 2015 under Sections 406 and 420 of the Indian Penal Code, 1860, against, *inter-alia*, our Director, Mr. Umesh Govind Revankar in relation to non-payment of his fees. The matter is currently pending before the Chief Judicial Magistrate, Lucknow. Thereafter, a petition by the defendants was filed before the High Court seeking quashing of the FIR. The petition has been disposed off by the High Court by way of an order dated April 1, 2016 on the ground that the cause of action was purely of a civil nature and with a direction to the State of UP to file the final report. The matter is currently pending. The complainant has subsequently filed a protest petition before the Chief Judicial Magistrate, Lucknow, which is currently pending.

7. Certain criminal cases and recovery suits have been filed by our Company against various parties in relation to alleged violations arising in the ordinary course of our business and operations under, amongst others, the Indian Penal Code. These matters are currently pending at various stages of adjudication.

Show cause notices and proceedings initiated by SEBI against the Company, Promoter or Promoter Group:

NIL

Tax proceedings involving our Company

Particulars	No. of outstanding cases	Amount involved (*in Rs. Millions*)
Indirect Tax	24	20,839.31
Direct Tax	26	730.87

1. Our Company filed a writ petition (no. 26590/2017 and no. 27066 to 27076/2017) before the High Court of Karnataka challenging the correctness of various orders of re-assessment passed by the Deputy Commissioner of Commercial Taxes, Bengaluru, under sections 39(1), 72(2) and 36(1) of the Karnataka Value Added Tax Act, 2003 (relating to interest amounts and penalty payable) pertaining to the tax period from 2010-2017. The issue under consideration in these petitions is whether a person (like our Company) is a "Dealer" within the Karnataka Value Added Tax Act, 2003 and whether on the sale by way of auction of the vehicles re-possessed from a defaulting borrower, our Company is liable to pay value added tax on such sale. The Honorable High Court of Karnataka, by its order dated 28 June 2017, has granted interim relief stating that no coercive process shall be taken against our Company for recovery of the demand amount by the Commercial Tax Officer, Bengaluru, subject to our Company depositing 30 per cent. of the disputed tax amount within four weeks from the date of aforesaid order, which our Company has deposited with the High Court. The petition is pending hearing and final disposal. Our Company has also prayed to stay all further proceedings pursuant to order of re-assessment and consequential notice of demand dated February 8, 2019 passed by Deputy Commissioner of Commercial Taxes (Audit) under Section 39(1) of the Act, pertaining to assessment periods commencing from April 1, 2016 to March 31, 2017.

2. Our Company is contesting several disputed income tax, service tax and VAT matters before various appellate authorities. The contingent liabilities as per Indian Accounting Standard 37 as of December 31, 2022 included contingent liabilities in respect of income tax demands where the Company has filed an appeal before various authorities of ₹ 72.18 crores, VAT demand where the Company has filed an appeal before various appellate courts aggregating ₹ 12.57 crores and a service tax demand for ₹ 2,056.60 crores.

3. Our Company has received an order dated 19 December 2018 from the Commissioner of CGST and Central Excise demanding service tax on provision of collection of receivables in respect of Securitisation / Direct assignments, etc., amounting to INR 1,977.54 million for the period from 1 April 2008 to 31 March 2015. In relation to certain securitisation / direct assignment transactions, our Company had charged a nominal fee or a nil fee for services provided in relation to collection and recovery of the assets assigned/ securitised and the Commissioner of CGST and Central Excise in their order has held that the services rendered by us has not been adequately valued and accordingly service tax has to be paid on the taxable value of our services (arrived at in the manner provided under the relevant rules and regulations in this regard), irrespective of actual fee charged, if any. The same is disclosed under contingent liability. Our Company has filed an appeal at the Customs Excise and Service Tax Appellate Tribunal, West Zonal Bench Mumbai, in the month of March 2019. Our Company's main contention in the appeal is that if the parties have commercially agreed that the fee for certain services in nil or nominal, the tax on such service should be limited to a portion of the fee so agreed upon. Matter is listed on 23/02/2023.

4. Our Company filed a writ petition (no. 45164 /2017) on 28 December 2017 before the High Court of Judicature at Hyderabad for the State of Telangana and State of Andhra Pradesh (the "High Court") against the order passed by the Deputy Commissioner (CT), Secunderabad Division, Hyderabad in suo moto revision proceeding in Rc.No.R1/46/2014 dated 8 November 2017. The issue under consideration in this petition is whether NBFCs are liable to pay tax on the monies generated from sale of repossessed vehicles for realizing the outstanding dues against loans advanced to customers and whether such sale of repossessed vehicles would constitute a "sale" within the meaning of the Andhra Pradesh Value Added Tax Act, 2005. The High Court of Judicature at Hyderabad for the State of Telangana and State of Andhra Pradesh, by its order dated 2 January 2018, has granted stay of recovery of disputed tax, subject to our Company paying one-third of the disputed tax amount within four weeks from the date of the

aforesaid order, which our Company has deposited with the High Court. Since our Company has already paid one-third of the disputed tax amount, the High Court has in terms of its order dated August 20, 2020 granted interim stay with respect to the proceedings. The petition is pending hearing and final disposal.

5. The Company has received an orders from the office of the Commissioner (CGST) dated September 30, 2020 and March 17, 2021 which has raised a demand to the tune of INR 1,402.72 Crores and INR 375.94 crores respectively for the period from FY 2006-07 to 2015-16 and FY 2016-17 to 2017-18 (upto June 2017) respectively including interest and penalty. The order has been made on the basis that the Company, a registered NBFC, was providing hire-purchase and financial leasing services for commercial vehicles and did not pay service tax on the income earned on the said activities. The services being carried out by the Company referred to in the order came to light during the course of an audit of the accounts of Shriram Investments Limited, an entity which has been merged into the Company with effect from April 01, 2005. The Company has filed a writ petition in the Bombay High Court against the said Order received on December 24, 2020.

Proceedings involving our Promoter:

There are no litigation, economic or securities related offences, civil or criminal prosecutions for any offences, or regulatory proceedings (irrespective of whether they are covered under Part I of Schedule V of the Companies Act, 2013, as amended) tax liabilities, disputes, non-payment of statutory dues nor any defaults or arrears claimed against or otherwise involving the Promoter, whose outcome have a material adverse effect on the financial position, operations or prospects of the Company.

Legal Cases against erstwhile Shriram City Union Finance Limited and its Directors

1. Mr. Sangram Singh Madhavrao Ghatge, Karad branch customer

There is a criminal matter proceeding (106/2019) pending at District Court Karad which was filed by the Mr. Sangramsingh Madhavrao Ghatge against erstwhile Shriram City Union Finance Limited (SCUF) and Directors of SCUF in March 2019. The matter stems from a customer who belatedly in 2012 contested loan amount disbursed and interest rate charged by SCUF among other things as it wasn't in line with what he was promised by an agent and erstwhile SCUF. erstwhile SCUF disbursed the loan in line with its Policies, and the customer has been a non-starter in paying EMIs. This matter was taken to arbitration by SCUF in 2013 and the arbitration award for the case in favor of SCUF. Subsequently the complainant filed a criminal FIR in 2019. SCUF filed a writ petition bearing No. 2718/2019 in the Mumbai High Court for quashing of FIR. Last date of hearing was on July 1, 2021 but it did not come up for hearing due to many number of cases on board. Due to Covid SOP, only virtual hearing were allowed for those matters which were on board. Posted for hearing December 8, 2022 and adjourned to further date. It will be as per Case Management Information System of the honorable High Court.

2. Neeta Manish Mehta

There is a criminal matter proceeding (2664/2020) pending before honorable Judicial Magistrate in Nagpur which is filed by the Mrs. Neeta Manish Mehta against Shriram City Union Finance Limited (SCUF) and its Directors in 2017. The matter is contested by the borrower that she was deceived and would be publicly labelled as a willful defaulter by SCUF. SCUF has not published her name anywhere as a defaulter. SCUF has won an arbitration award basis non-repayment of loan by the borrower. She filed a criminal complaint at the Judicial Magistrate in Nagpur. SCUF filed writ petition No. 1145/2021 at the District Court, Nagpur, challenging issue process order of JMFC. Ad-Interim order staying the criminal proceeding passed by District Court. Both side argument completed. Matter kept for order. SCUF has filed a writ petition at Honourable High Court in Nagpur against it to order and to quash the original complaint. Matte stayed by District Court on October 4, 2021. Posted for hearing on January 24, 2023.

3. Y Balamurali Krishna

There is a civil proceeding (429/2019) pending at before the Hon'ble District IInd Additional District Judge, R.R.District at L.B.Nagar which is filed by the Y Balamurali Krishna against Shriram City Union Finance Limited (SCUF) and its Directors. The matter stems from a customer who is claiming INR 40 lakhs of damages for financial hardships and compensation for loss of business due to false suits filed by SCUF. The complainant has only paid 6 EMIs completely and one partially, post which SCUF had taken the case to the arbitration. The case was posted for hearing in September 2021(September 20, 2021) . As per ROC. No. 391/SO/2020 dt. March 16, 2020 of the Hon'ble High Court, T.S. The matter is posted for hearing on February 2, 2023.

4. Gunasekhar

The customer availed a Loan of Rs.18,00,000/- by agreeing to repay as per the schedule. executed Loan Agreement in favour of the Company. The Complainant for the loan transaction along with the guarantors also mortgaged his land by way of Regd Deposit of Title Deeds towards security. The complainant not able to pay installments hence, he proposed for one time settlement with the company. The complainant had put an allegation that there was an oral understanding between him and Company officials and the Company official offered to sell his land abating No-objection from the company.

FIR 6 of 2021 registered by Kalyandurg PS, Anantapur District for pending investigation before the PS and the Company filed Quash petition u/s 482 of Cr.PC on behalf of the Chairman. The same is yet to be filed before the Hon'ble High Court of Amaravathi (AP). The Hon'ble High court passed stay order for further investigation in Cr. No.6/2021, Kalyandurg town. Stay is pending and case settled outside court. Both parties set to withdraw the case before the Hon'ble court, Anantapur Dist shortly.

iii. Corporate Structure of the Company

The Company is managed by its board of directors. The Promoter of the Company is Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Pvt Ltd and Shriram Ownership Trust. The Company has a subsidiary company called Shriram Housing Finance Ltd.

iv. **Project Cost and means of financing**

Not Applicable.

v. **A columnar representation of the audited financial statement (i.e. profit and loss statement, balance sheet and cashflow statement) both on standalone and consolidated basis for a period of three completed years along with the auditor's report and the requisite schedules, footnotes, summary etc.**

Please refer Annexure VII of this Shelf Placement Memorandum.

(Annual Report of Last three completed financial years are annexed)

vi. **Key operational and financial parameters for the last 3 audited years (consolidated basis)**

A summary of our key operational and financial parameters derived from Ind AS financial statements on a consolidated basis for the latest quarter ended on September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020 are as follows*:

Parameters	Nine months ended on December 31,2022 (SFL)	Half Year ended on September 30, 2022 (SFL)	Half Year ended on September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Balance Sheet						
Total Financial assets	1,97,359.93	2,00,370.64	1,45,878.97	1,40,442.41	1,28,368.73	1,13,302
Total Non-financial assets	6,612.70	6,269.02	2,074.37	1,825.75	1,459.05	964
Total Assets	2,03,972.63	2,06,639.66	1,47,953.34	1,42,268.16	1,29,827.78	1,14,266
Total Financial liabilities	1,60,602.43	1,65,034.04	1,20,528.94	1,15,874.48	1,07,766.67	95,792
Total Non-financial liabilities	701.47	578.2	446.01	299.42	343.82	332
Equity (equity and other equity)	42,392.50	40,753.56	26,978.87	26,094.26	21,717.29	18,142
Total equity and liabilities	2,03,972.63	2,06,639.65	1,47,953.34	1,42,268.16	1,29,827.78	1,14,266
Profit and Loss						
Total revenue	22,542.16	14,732.77	5,149.26	19,274.23	17,436.40	16,583
From operations	22,524.13	14,716.07	5,144.81	19,255.17	17,420.45	16,562.36
Other income	18.03	16.70	4.45	19.06	15.95	20.27
Total Expenses	16,529.08	10,891.56	3,842.38	15,724.98	14,158.39	13,143.96
Total Comprehensive Income	4,326.13	2,727.64	884.13	2,598.28	2,406.01	2,507.78
Other comprehensive income	(143.89)	(122.95)	(82.39)	-122.82	92.82	-4.49
Profit / loss	6,013.08	3,841.21	1306.88	3,549.25	3,278.01	3.438.67
Profit / loss after tax	4,470.02	2,850.59	966.52	2,721.10	2,498.83	2,512.27
Earnings per equity share (face value Rs. 10/- per equity share)						
Basic (Rs.)	119.38	76.13	35.73	102.23	101.44	110.73
Diluted (Rs.)	118.89	75.84	35.73	102.23	101.44	110.73
Cash Flow						
Net cash generated from operating activities			-2,667.73	-8,859.02	4238.76	-3,131.44
Net cash used in / generated from investing activities			-28.30	-34.33	-25.82	-55.20
Net cash used in financing activities			3,440.78	8,504.86	12,225.59	5,246.49
Cash and cash equivalents at the beginning of the year / period			10,662.44	11,050.93	3,088.99	1,029.14
Cash and cash equivalents at the end of year / period			11,407.19	10,662.44	11,050.93	3,088.99
Additional information						
Net worth (1)	42,548.29	40,770.23	26,950.75	26,066.62	21,689.65	18,115
Cash and cash equivalents	9,788.35	18,045.91	11,407.17	10,662.44	11,050.93	3,088.99
Investments	8,256.85	10,110.13	7,104.49	6,971.23	3346.77	2,935.63
Asset Under Management as per Ind AS (2)	1,77,498.17	-	1,30,689	1,27,041	1,17,243	1,09,749
Off-balance sheet assets as per Ind AS (3)	1,654.31	-	1,324	1,342	1,051	1,248
Total Borrowings	1,58,676.88	163,188.79	1,19,224.78	1,14,496.71	1,06,196 .41	94,371.75
Interest Income	21,288.41	13,944.74	5,019.69	18,646.26	17,128.14	16,267.46
Finance Costs	9,547.72	6,312.79	2,457.93	9,734.31	9,054 .24	8,270.26
Total Debts to Total assets	0.78	0.79	0.81	0.80	0.82	0.83
Debt Service Coverage Ratio	NA	NA	NA	NA	N.A.	N.A.

Parameters	Nine months ended on December 31,2022 (SFL)	Half Year ended on September 30, 2022 (SFL)	Half Year ended on September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Interest service coverage ratio	NA	NA	NA	NA	N.A.	N.A.
Impairment on financial instruments	2,983.70	2065.02	805.16	3,860.86	3,118.40	2794.88
Bad debts to Account receivable ratio	NA	NA	NA	NA	N.A.	N.A.
Stage 3 Assets as a percentage of Total Loan Assets as per Ind AS (gross of Provisions) (per cent.) (4)	NA	NA	NA	NA	N.A.	N.A.
Stage 3 Asset net of Stage 3 Provision as a percentage of Net Loan Assets as per Ind AS (per cent.) (5)	NA	NA	NA	NA	N.A.	N.A.
Tier I Capital Adequacy Ratio (per cent.)	NA	NA	NA	NA	N.A.	N.A.
Tier II Capital Adequacy Ratio (per cent.)	NA	NA	NA	NA	N.A.	N.A.

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

Note - (1) The figures for the period after the appointed date for the merger of STFC and the Merged Entities (i.e. April 01, 2022) have been restated to take the effect of merger and are therefore not comparable with figures of STFC for the corresponding previous year periods or previously reported figures of STFC for the said quarters.
(2) *SFL means Shriram Finance Limited*
(3) STFC means Shriram Transport Finance Company Limited
(4) Merged Entities means Shriram Capital Limited and Shriram City Union Finance Limited

A summary of our key operational and financial parameters derived from Ind AS financial statements on a standalone basis for the latest quarter ended on December 31, 2022 Fiscal 2022, Fiscal 2022 and Fiscal 2020 are as follows*:

Parameters	Nine Months Ended on Dec 31,2022 (SFL)	Half Year ended on September 30, 2022 (SFL)	Half Year ended on September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Balance Sheet						
Total Financial assets	1,92,130.69	1,95,419.64	1,45,715.78	1,40,280.34	1,28,219.81	1,13,165
Total Non-financial assets	6,210.39	5,773.90	2,074.37	1,825.75	1,459.05	964
Total Assets	1,98,341.08	2,01,193.54	1,47,790.15	1,42,106.09	1,29,678.86	1,14,129
Total Financial liabilities	1,55,155.77	1,59,981.99	1,20,528.94	1,15,874.48	1,07,766.67	95,792
Total Non-financial liabilities	765.08	589.74	446.01	299.42	343.82	332
Equity (equity and other equity)	42,420.23	40,621.81	26,815.20	25,932.19	21,568.37	18,005
Total equity and liabilities	1,98,341.08	2,01,193.54	1,47,790.15	1,42,106.09	1,29,678.86	1,14,129
Profit and Loss						
Total revenue	22,034.46	14,422.17	5,149.26	19,274.23	17,436.40	16,583
From operations	22,016.86	14,407.85	5,144.81	19,255.17	17,420.45	16,562
Other income	17.60	14.32	4.45	19.06	15.95	20
Total Expenses	15,745.96	10,518.02	3,842.38	15,724.98	14,158.39	13,144
Total Comprehensive Income	4,527.95	2,771.48	883.01	2,585.13	2,394.24	2,497
Other comprehensive income	(143.08)	(122.58)	(82.26)	(122.80)	-93.02	-5
Profit / loss	6,288.50	3,904.15	1306.88	3,549.25	3,278.01	3,439
Profit / loss after tax (including Share of profit of associate)	4,671.03	2,894.06	965.27	2,707.93	2,487.26	2,502
Earnings per equity share (face value Rs. 10/- per equity share)						
Basic (Rs.)	124.75	77.29	35.68	101.74	100.97	110.27
Diluted (Rs.)	124.24	76.99	35.68	101.74	100.97	110.27
Cash Flow						
Net cash generated from operating activities			-2,667.73	-8,859.02	-4,238.76	-3,131
Net cash used in / generated from investing activities			-28.30	-34.33	-24.89	-55
Net cash used in financing activities			3,440.78	8,504.86	12,225.59	5,246
Cash and cash equivalents at the beginning of the year / period			10,662.44	11,050.93	3,088.99	1,029
Cash and cash equivalents at the end of year / period			11,407.19	10,662.44	11,050.93	3,089
Additional information						
Net worth (1)	42,315.66	40,548.87	26,787.56	25,905	21,541	17,978

Parameters	Nine Months Ended on Dec 31,2022 (SFL)	Half Year ended on September 30, 2022 (SFL)	Half Year ended on September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Cash and cash equivalents	9,696.78	17,896.92	11,407.17	10,662.44	11,050.93	3,089
Investments	9,359.58	11,299.87	6941.30	6,809.16	3197.85	2,798
Asset Under Management as per Ind AS (2)	1,77,498.17	1,69,358.21	1,30,689	1,27,041	1,17,243	1,09,750
Off-balance sheet assets as per Ind AS (3)	1,654.31	1,588.19	1,324	1,342	1,051	1,248
Total Borrowings	1,53,327.57	1,58,216.97	1,19,224.78	1,14,496.71	1,06,196.41	94,372
Interest Income	20,860.45	13,686.48	5,019.69	18,646.26	17,128.14	16,267
Finance Costs	9,281.25	6,169.29	2,457.93	9,734.31	9,054.26	8,270
Total Debts to Total assets	0.77	0.79	0.81	0.81	0.82	0.83
Debt Service Coverage Ratio	NA	NA	NA	NA	N.A.	N.A.
Interest service coverage ratio	NA	NA	NA	NA	N.A.	N.A.
Impairment on financial instruments	2,974.53	2,057.28	805.16	3,860.86	3,118.40	2794.88
Bad debts to Account receivable ratio	NA	NA	NA	NA	N.A.	N.A.
Stage 3 Assets as a percentage of Total Loan Assets as per Ind AS (gross of Provisions) (per cent.) (4)	6.29%	6.31%	7.00%	7.07%	7.14%	8.46%
Stage 3 Asset net of Stage 3 Provision as a percentage of Net Loan Assets as per Ind AS (per cent.) (5)	3.20%	3.32%	3.51%	3.67%	4.26%	5.69%
Tier I Capital Adequacy Ratio (per cent.)	21.38%	21.51%	20.62%	20.70%	19.94%	18.13%
Tier II Capital Adequacy Ratio (per cent.)	1.6%	1.69%	1.92%	2.27%	2.56%	3.86%

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

Note - (1) The figures for the period after the appointed date for the merger of STFC and the Merged Entities (i.e. April 01, 2022) have been restated to take the effect of merger and are therefore not comparable with figures of STFC for the corresponding previous year periods or previously reported figures of STFC for the said quarters.

(2) *SFL means Shriram Finance Limited*

(3) STFC means Shriram Transport Finance Company Limited

(4) Merged Entities means Shriram Capital Limited and Shriram City Union Finance Limited

Notes:

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

(2) *Asset Under Management as per Ind AS: Total loan assets and loan assets assigned, which continue to be serviced by the transferor.*

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

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

(5) *Stage 3 Assets net of Stage 3 Provision.*

vii. ***Gross Debt Equity Ratio of the Company:-***

Before the issue of debt securities (as per latest audited Balance Sheet as on March 31, 2022)	4.42

After the issue of debt securities (as per latest audited Balance Sheet as on March 31, 2022)	4.61

viii. ***Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability:-***

(Rs. In Crore)

Particulars	As at Year ended on March 31, 2022
In respect of Income tax demands where the Company has filed appeal before various authorities	175.17
VAT demand where the Company has filed appeal before various appellates	117.21
Service tax demands where the Company has filed appeal before various authorities	1,976.41
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00
Total	**2,273.79**

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

i. ***A brief history of the company since its incorporation giving details of its following activities:***

i. Details of Share Capital as on last quarter end i.e. December 31, 2022:

Share Capital	In Lacs
AUTHORISED SHARE CAPITAL	
2,97,55, 00, 000 Equity Shares of Rs. 10/- each	297,550
12,90,00,000 Preference Shares of Rs. 100/- each	129,000
TOTAL	426,550
ISSUED	
37,44,27,276 Equity Shares of Rs. 10 /- each	37,442.73
SUBSCRIBED	
37,44,27,276 Equity Shares of Rs. 10 /- each	37,442.73
PAID-UP SHARE CAPITAL	
37,44,27,276 Equity Shares of Rs. 10/- each	37,442.73
NOTES:	
The Equity Shares allotted for consideration other than cash are as follows: a) 6,06,33,350 fully paid-up Equity Shares of our Company have been allotted to the shareholders of Shriram Investments Ltd (SIL), pursuant to a scheme of amalgamation sanctioned by the Hon'ble High Court of Madras vide its order dated November 25, 2005, in a ratio of 1 fully paid up Equity Share of our Company, for every 1 fully paid up equity share of the face value of Rs. 10/- each, of SIL; b) 1,86,45,886 fully paid-up Equity Shares of our Company have been allotted to the shareholders of Shriram Overseas Finance Ltd (SOFL), pursuant to a scheme of	———

Share Capital	In Lacs
amalgamation sanctioned by the Hon'ble High Court of Madras vide its order dated December 1, 2006, in a ratio of 3 fully paid up Equity Shares of our Company, for every 5 fully paid up equity shares of the face value of Rs. 10/- each, of SOFL; c) Pursuant to Shiram Holdings (Madras) Pvt. Ltd. (SHMPL) Scheme of Merger sanctioned vide the SHMPL Merger Order passed by the Hon'ble High Court of Madras, our Company issued and allotted 9,38,72,380 fully paid up equity shares of our Company to the shareholders of SHMPL, whose names appeared in the register of members on the specified date in connection with the aforesaid scheme of amalgamation, in a ratio of 313 fully paid up Equity shares of our Company, for every 124 fully paid up equity shares of the face value of Rs. 10 each, of SHMPL. d) Pursuant to the issuance of 64,95,420 Equity Shares on a rights basis on April 21, 1995, 64,84,910 Equity Shares were allotted, and 10,510 Equity Shares were kept in abeyance and not allotted, on account of unavailability of certain information in connection with certain applicants of Equity Shares in the said rights issue. Subsequently, 2,369 Equity Shares and 2,000 Equity Shares of the aforementioned Equity Shares kept in abeyance were allotted on November 11, 1995 and December 28, 1995, respectively. On March 06, 2022, 6,141 equity shares of face value of Rs.10/- each were cancelled from Issued Share Capital of the Company pursuant to the resolution passed by the shareholders through Postal Ballot. e) Pursuant to the Composite Scheme of Arrangement and Amalgamation among Shrilekha Business Consultancy Private Limited (SBCPL) and Shriram Financial Ventures (Chennai) Private Limited (SFVPL) and Shriram Capital Limited (SCL) and Shriram Transport Finance Company Limited (STFC/the Company) (now Shriram Finance Limited) and Shriram City Union Finance Limited (SCUF) and Shriram LI Holdings Private Limited (SLIH) and Shriram GI Holdings Private Limited (SGIH) and Shriram Investment Holdings Limited (SIHL) and their respective Shareholders ("Scheme") sanctioned by the Hon'ble National Company Law Tribunal, Special Bench – II, Chennai vide its Common order dated November 14, 2022, read with Corrigendum dated November 17, 2022 to the order ("Order"), the Board of Directors of the Company issued and allotted on December 12,2022, 17,43,44,710 new equity shares of face value of Rs.10/- each fully paid up to the eligible shareholders of erstwhile SCL and SCUF as per the share exchange ratio . 7,04,37,147 equity shares of face value of Rs.10/- each fully paid-up of the Company held by erstwhile SCL stood cancelled. Consequently, the issued and paid-up capital of the Company stood increased to Rs.374,42,72,760/- consisting of (37,44,27,276 equity shares of Rs.10/- each fully paid up	

i. Changes in its capital structure as on last quarter end i.e. December 31, 2022, for the last three years:

(a) The Company issued and allotted 261,78,777 Equity Shares under rights issue of face value of Rs. 10/- each (Rights Equity Shares) to the eligible equity shareholders at an issue price of Rs.570/- per Equity Share (including premium of Rs.560/- per Equity Share). The Issue opened on July 16, 2020 and closed on July 30, 2020. The Rights Equity Shares were allotted on August 06, 2020.

(b) The Company issued and allotted 139,86,000 Equity Shares of face value Rs.10/- each to eligible qualified institutional buyers at the issue price of Rs.1,430/- per Equity Share (including a premium of Rs.1,420/- per Equity Share) at a discount of Rs.3.32 per Equity Share i.e. 0.23% of the floor price of Rs.1,433.32/- per Equity Share, aggregating to Rs.19,99,99,80,000/- by way of qualified institutions placement (QIP Issue). The QIP Issue opened on June 7, 2021 and closed on June 11, 2021. These equity shares were allotted on June 12, 2021.

(c) The Company issued and allotted on July 8, 2021 (i) 1,736,100 Equity Shares of the Company, fully paid-up, at a price of Rs. 1,440/- per Equity Share including a premium of Rs. 1,430/- per Equity Share, aggregating up to Rs. 2,499,984,000/- and (ii) 1,736,100 Warrants convertible into 1,736,100 Equity

Shares at a price (including the warrant subscription price and the warrant exercise price) of Rs. 1,440/- each, aggregating up to Rs. 2,499,984,000/- on a preferential basis to Shriram Capital Limited, Promoter of the Company.

(d) The Company received the subscription money of Rs. 624,996,000/- for allotment of 1,736,100 Warrants convertible into Equity Shares, being 25% of the Issue price of Rs. 1,440/- of the Warrants at Rs. 360/- per Warrant, towards the warrant subscription price. The remaining amounts shall be payable as per the terms approved by the Members of the Company in its Extra-Ordinary General Meeting held on July 7, 2021.

(e) The Company issued and allotted on November 25, 2021, 17,36,100 Equity Shares of Face value of Rs. 10/- each fully paid up, allotted pursuant to exercise of option for conversion of 17,36,100 Warrants issued in terms of Chapter V of SEBI (ICDR) Regulations, 2018 (Preferential Issue) to Shriram Capital Limited (Promoter) of the Company.

(f) Pursuant to the Composite Scheme of Arrangement and Amalgamation among Shrilekha Business Consultancy Private Limited (SBCPL) and Shriram Financial Ventures (Chennai) Private Limited (SFVPL) and Shriram Capital Limited (SCL) and Shriram Transport Finance Company Limited (STFC/the Company) (now Shriram Finance Limited) and Shriram City Union Finance Limited (SCUF) and Shriram LI Holdings Private Limited (SLIH) and Shriram GI Holdings Private Limited (SGIH) and Shriram Investment Holdings Limited (SIHL) and their respective Shareholders ("Scheme") sanctioned by the Hon'ble National Company Law Tribunal, Special Bench – II, Chennai vide its Common order dated November 14, 2022, read with Corrigendum dated November 17, 2022 to the order ("Order"), the Board of Directors of the Company issued and allotted on December 12,2022, 17,43,44,710 new equity shares of face value of Rs.10/- each fully paid up to the eligible shareholders of erstwhile SCL and SCUF as per the share exchange ratio . 7,04,37,147 equity shares of face value of Rs.10/- each fully paid-up of the Company held by erstwhile SCL stood cancelled. Consequently, the issued and paid-up capital of the Company stood increased to Rs.374,42,72,760/- consisting of (37,44,27,276 equity shares of Rs.10/- each fully paid up

ii. Equity Share Capital History of the Company as on last quarter end i.e. December 31, 2022 for the last three years:

Date of Allotment	**No. of Equity Shares**	**Face Value**	**Issue Price**	**Consideration (Cash, other than Cash, etc.)**	**Nature of Allotment**	**Cumulative**			**Remarks**
						No. of Equity Shares	**Equity Share Capital**	**Equity Share Premium**	
August 06, 2020	26,178,777	Rs. 10	Rs. 570	Cash	Rights Issue	2,61,78,777	2,53,06,15,130	Rs. 560/-	Rights Issue
June 12, 2021	139,86,000	Rs. 10	Rs. 1440	Cash	QIP	1,39,86,000	2,67,04,75,130	Rs. 1430/-	QIP
July 08, 2021	17,36,100	Rs. 10	Rs. 1440	Cash	Preferential Allotment	17,36,100	2,68,78,36,130	Rs. 1430/-	Preferential Allotment
November 25, 2021	17,36,100	Rs. 10	Rs. 1440	Cash	Conversion of warrants Equity Shares	17,36,100	2,70,51,97,130	Rs. 1430/-	Conversion of warrants Equity Shares
December 12,2022	* 10,39,07,563	Rs. 10/- each	-	For consideration other than cash	Allotment of 17,43,44,710 equity shares pursuant to Composite Scheme of Arrangement and	10,39,07,5630	37,44,27,2760	-----	Allotment of 17,43,44,710 equity shares pursuant to Composite Scheme of Arrangement and

					Amalgamation involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said SCL and Shriram City Union Finance Limited with the Company				Amalgamation involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said SCL and Shriram City Union Finance Limited with the Company

* Cancellation of 7,04,37,147 equity shares of face value of Rs. 10 each fully paid-up of the Company held by erstwhile Shriram Capital Ltd stood cancelled, consequent to Scheme of Arrangement and Amalgamation

iii. Details of any Acquisition or Amalgamation in the last 1 year:-

The Board of Directors of the Company in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Reserve Bank of India vide its letter dated June 15, 2022 conveyed its No- Objection to the Scheme with usual and normal conditions as generally stipulated in such similar approvals. As per the directions of the Hon'ble National Company Law Tribunal, Chennai ("NCLT") in the common order dated May 11, 2022, the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors was held on July 4, 2022 and the Scheme was approved by the requisite majority of the Equity shareholders, Secured Creditors and Unsecured Creditors in their respective meetings. The Company has filed the Petition with NCLT on July 14, 2022 for sanctioning of the Scheme. Competition Commission of India vide its letter dated August 1, 2022 has conveyed its approval to the Composite Scheme under 31(1) of the Competition Act, 2002.

Pursuant to the Composite Scheme of Arrangement and Amalgamation among Shrilekha Business Consultancy Private Limited (SBCPL) and Shriram Financial Ventures (Chennai) Private Limited (SFVPL) and Shriram Capital Limited (SCL) and Shriram Transport Finance Company Limited (STFC/the Company) (now Shriram Finance Limited) and Shriram City Union Finance Limited (SCUF) and Shriram LI Holdings Private Limited (SLIH) and Shriram GI Holdings Private Limited (SGIH) and Shriram Investment Holdings Limited (SIHL) and their respective Shareholders ("Scheme") sanctioned by the Hon'ble National Company Law Tribunal, Special Bench – II, Chennai vide its Common order dated November 14, 2022, read with Corrigendum dated November 17, 2022 to the order ("Order"), the Board of Directors of the Company issued and allotted on December 12,2022, 17,43,44,710 new equity shares of face value of Rs.10/- each fully paid up to the eligible shareholders of erstwhile SCL and SCUF as per the share exchange ratio of the Scheme. 7,04,37,147 equity shares of face value of Rs. 10 each fully paid-up of the Company held by erstwhile SCL stood cancelled. Consequently, the issued and paid-up capital of the Company stood increased to Rs.374,42,72,760/- consisting of (37,44,27,276 equity shares of Rs.10/- each fully paid up).

iv. Details of reorganization or reconstruction in last 1 year: NIL

C. Details of shareholding of the company as on latest quarter end as on December 31, 2022, as per the format specified under the listing regulations:

i. Shareholding of the Company:

<u>Summary Statement holding of specified securities</u>

Sr No	Category of shareholder	Nos. of shareh olders	No. of fully paid up equity shares	Shareholding as a % of total no. of shares	Number of equity shares held in dematerialized form
1	Promoter & Promoter Group	4	94692818	25.29	94692818
2	Public	100199	279734458	74.71	27,78,20,186
	Total	**100203**	**37,44,27,276**	**100.00**	**37,25,13,004**

Notes: - Shares pledged or encumbered by the promoters (if any)- Nil

Statement showing shareholding pattern of the Promoter and Promoter Group

Sr No	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares	Shareholding as a % of total no. of shares	Number of equity shares held in dematerialized form
1	Indian	0	0	0	0
A	Individuals/Hindu undivided Family	0	0	0	0
B	Central Government/ State Government(s)	0	0	0	0
C	Financial Institutions/ Banks	0	0	0	0
D	Any Other (specify)		87155867	23.28	87155867
	Bodies Corporate	3			
	Sub-Total (A)(1)	**3**	87155867	23.28	**87155867**
2	Foreign	0	0	0	0
A	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0
B	Government	0	0	0	0
C	Institutions	0	0	0	0
D	Foreign Portfolio Investor	1	7536951	2.10	7356951
E	Any Other (specify)	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**4**	**94692818**	**25.29**	**94692818**

Statement showing shareholding pattern of the Public shareholder

Sr No	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares	Shareholding as a % of total no. of shares	Number of equity shares held in dematerialized form
1	Institutions				
A	Mutual Funds	20	21225529	5.66	21197384
B	Venture Capital Funds				
C	Alternate Investment Funds	9	788068	0.21	788068
D	Foreign Venture Capital Investors				
E	Foreign Portfolio Investors	763	160644273	42.90	135174468160644273
F	Financial Institutions/ Banks	5	15019	0	14809
G	Insurance Companies	10	19616884	5.24	19616884
H	Provident Funds/ Pension Funds	1	25605	0.01	25605
I	Any Other (specify)				
	Sub-Total (B)(1)	**808**	**202315378**	**54.03**	**41642750**
2	Central Government/ State Government(s)/				

Sr No	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares	Shareholding as a % of total no. of shares	Number of equity shares held in dematerialized form
	President of India				
	Sub-Total (B)(2)				
3	Non-institutions				
A	Individuals -				
I	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	95774	12242508	3.27	1,03,88,384
II	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	34	1645534	0.04	16,45,534
B	NBFCs registered with RBI	5	37231	0.01	37231
C	Employee Trusts				
D	Overseas Depositories (holding DRs) (balancing figure)				
E	Any Other (specify)	12	80066	0.02	80066
	IEPF	1	1219257	0.33	10556171219257
	Unclaimed or Suspense or Escrow Account	1	200778	0.05	200778
	Non-Resident Indian (NRI)	1672	335473	0.12	4,27,971
	Foreign Companies	2	27254708	7.28	27254708
	Trusts	3	277187	0.07	2,77,187
	Clearing Members	63	1751810	0.47	1751810
	HUF	1146	170035	0.05	170035
	Bodies Corporate	374	32099236	8.57	32070443
	Foreign Portfolio Investor (Category - III)	2	519	0.00	519
	LLP	23	14468	0.00	14468
	Sub-Total (B)(3)	99392	77419080	20.21	73138997
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	93376	279734458	74.71	189213189

Notes to shareholding pattern – Quarter ended on December 31, 2022

(I)Shriram Capital Private Limited (formerly Shriram Financial Ventures (Chennai) Private Limited) is the Promoter holding 6,71,45,784 Equity Shares of the Company.

(II) Shriram Ownership Trust (Promoter) is holding 78,40,080 Equity Shares of the Company. The shares are held in the name of Trustees viz., Mr. R Thyagarajan and Mr. D V Ravi.

(III) The Promoter Group as defined under Regulation 2(1)(t) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers Regulations, 2011, (SAST Regulations 2011): 1. Shriram Value Services Limited 2. Shriram Life Insurance Company Limited 3. Shriram General Insurance Company Limited 4 Shriram Credit Company Limited 5. Shriram Asset Management Company Limited 6. Shriram Overseas Investments Private Limited 7. Bharat Investments Pte. Limited, Singapore . 8. Shriram Fortune Solutions Limited 9. Shriram Wealth Limited (formerly Shriram Wealth Advisors Limited) 10. Shriram Insight Share Brokers Limited 11. Shriram Financial Products Solutions (Chennai) Private Limited 12. Shriram Seva Sankalp Foundation 13. SGI Philippines General Insurance Co Inc. 14. Sanlam Emerging Markets (Mauritius) Limited, 15. Novac Technology Solutions Private Limited 16. Novac Digital Services Pvt Ltd (formerly Techfactory Services Private Limited) 17. Shriam LI Holdings Private Limited (formerly

Snottor Technology Services Private Limited) 18. Sea Funds Management India Private Limited 19. Way2Wealth Insurance Brokers Private Limited 20. Way2Wealth Securities Private Limited 21. Way2Wealth Brokers Private Limited 22. Way2Wealth Commodities Private Limited. 23. Shriram Investment Holdings Limited 24. Shriram GI Holdings Private Limited (formerly Oner Infotech Services Private Limited) 25. Sanlam Life Insurance Limited. 26. Shriram Asset Reconstruction Private Limited

The Persons Acting in Concert (PAC), as defined in the SAST Regulations 2011 for the purpose of Regulation 10 of SAST Regulations, 2011: (i)Shriram Mutual Fund (SMF), (ii) Mrs. Vani Narayanan (Trustee of SMF), (iii) Mr R Thiagarajan (Trustee of SMF), (iv) Dr. Qudsia Gandhi (Trustee of SMF), (v) Mr. Mani Sridhar (Trustee of SMF) and (vi) Shriram Housing Finance Limited.

All the entities/persons mentioned in Note No. III and Note No. IV are PG and PACs respectively for more than three years, except the entity at Sr. No. (18), (19), (20),(21),(22) (23),(24), (26) in Note No. III and Sr. No. (ii) and (iii) in Note No. IV are PACs respectively for less than three years.

Mrs. Vani Narayanan Trustee of Shriram Mutual Fund holds equity shares in individual capacity.

None of the above-mentioned entities/persons in Note No. III and IV hold any shares in the Company except the entity at Sr. No. 1 and 25 in Note No. III.

ii. List of top 10 holders of Equity shares of the Company as on last quarter end (as on 31 December, 2022):

Sr No.	Name of shareholders and PAN	Address	Total Number of Equity Shares held	Percentage Holding (%)
1.	Shriram Capital Private Limited (Formerly known as Shriram Financial Ventures (Chennai) Private Limited) AAPCS5667M	Shriram House, No.4 Burkit Road, T. Nagar, Chennai- 600 017	67145784	17.93
2.	Piramal Enterprises Limited AAACN4538P	Ground FLR B-Block Agastya, Corporate Park Kamani Junction, LBS Marg Opp Fire Brigade Kurla (West), Mumbai - 400070	31221449	8.33
3.	Dynasty Acquisition (Fpi) Ltd. AAFCD1091G	Citibank N.A. Custody Services FIFC- 9th Flr, G Block Plot C-54 and C-55, BKC Bandra (East), Mumbai - 400 098	17336360	4.63
4.	Life Insurance Corporation Of India AAACL0582H	ICICI Bank Ltd., SMS Dept 1st Floor Empire Complex, S B Marg Lower Parel, Mumbai - 400 013	16373268	4.37
5.	Shriram Value Services Limited AAGCS1157H	No.275, Statesman One, R K Mutt Road, Mylapore, Chennai - 600 004	12170003	3.25
6.	TPG India Investments II, Inc. AADCT4710E	Citibank N.A. Custody Services FIFC- 9th Flr, G Block, Plot C-54 and C-55, BKC Bandra (East), Mumbai - 400 098	9918348	2.65
7.	Shriram Ownership Trust AAGTS2243H	Shriram House, No.4 Burkit Road, T. Nagar, Chennai- 600 017	7840080	2.09
8.	Mirae Asset Emerging Bluechip Fund AACTM0203B	OFF CST Road, Kalina, Santacruz (East), Mumbai – 400098	7714950	2.05
9.	Sanlam Life Insurance Limited AAJCS8461R	Citibank N.A. Custody Services FIFC- 9th Flr, G- Block, Plot C-54 and C-55, BKC Bandra (East), Mumbai - 400 098	7536951	2.01

10.	HDFC Trustee Company Ltd.-under various funds AAATH1809A	HDFC Bank Limited, Custody Operation, Sempire Plaza Twr-1, 4th Floor, Chandan Nagar LBS Marg, Vikhroli (West), Mumbai – 400 083	7323585	1.96

**all shares are being held in dematerialized form.*

Details of promoters of the Company:

Details of promoter holding in the company as on the latest quarter end i.e. December 31, 2022:

Sr. No.	Name of shareholders	Total Number of Equity Shares held	Total Number of Equity Shares held in Demat Form	Percentage Holding (%)	No of Shares Pledged	% of Shares pledged with respect to shares owned
1	Shriram Capital Private Limited – Promoter(Formerly known as Shriram Financial Ventures (Chennai) Pvt. Ltd)	67145784	67145784	17.93	-	-
2	Shriram Ownership Trust	7840080	7840080	2.09	-	-
3	Sanlam Life Insurance Limited – Promoter Group	7536951	7536951	2.01	-	-
4	Shriram Value Services Limited - Promoter Group	12170003	12170003	3.25	-	-

****** *48,000 equity shares of Rs. 10 each of SIL, on which Rs. 5 was paid up for each of the said shares, were forfeited on January 17, 1997, ("Forfeited Shares"). Pursuant to the scheme of amalgamation sanctioned by the Hon'ble High Court of Madras vide its order dated November 25, 2005, as detailed in para (a) above, the Forfeited Shares have become a part of the share capital of our Company, by operation of law. The shareholders in their 40th annual general meeting held on June 27, 2019 considered and approved the cancellation of the forfeited shares from the issued and subscribed share capital of the Company. The appropriate accounting entries have been made in the books of accounts of the Company in this regard.*

($) The Company issued and allotted 261,78,777 Equity Shares under rights issue of face value of Rs. 10/- each (Rights Equity Shares) to the eligible equity shareholders at an issue price of Rs. 570/- per Equity Share (including premium of Rs. 560/- per Equity Share). The Issue opened on July 16, 2020 and closed on July 30, 2020. The Rights Equity Shares were allotted on August 06, 2020. The Company issued and allotted 139,86,000 Equity Shares of face value Rs.10/- each to eligible qualified institutional buyers at the issue price of Rs.1,430/- per Equity Share (including a premium of Rs.1,420/- per Equity Share) at a discount of Rs.3.32 per Equity Share i.e. 0.23% of the floor price of Rs.1,433.32/- per Equity Share, aggregating to Rs.19,99,99,80,000/- by way of qualified institutions placement (QIP Issue). The QIP Issue opened on June 7, 2021 and closed on June 11, 2021. These equity shares were allotted on June 12, 2021. The Company issued and allotted on July 8, 2021 (i) 1,736,100 Equity Shares of the Company, fully paid-up, at a price of Rs. 1,440/- per Equity Share including a premium of Rs. 1,430/- per Equity Share, aggregating up to Rs. 2,499,984,000/- and (ii) 1,736,100 Warrants convertible into 1,736,100 Equity Shares at a price (including the warrant subscription price and the warrant exercise price) of Rs. 1,440/- each, aggregating up to Rs. 2,499,984,000/- on a preferential basis to Shriram Capital Limited, Promoter of the Company . The Company received the subscription money of Rs. 624,996,000/- for allotment of 1,736,100 Warrants convertible in to Equity Shares, being 25% of the Issue price of Rs. 1,440/- of the Warrants at Rs. 360/- per Warrant, towards the warrant subscription price. The remaining amounts shall be payable as per the terms approved by the Members of the Company in its Extra-Ordinary General Meeting held on July 7, 2021. The Company issued and allotted on November 25, 2021, 17,36,100 Equity Shares of Face value of Rs. 10/- each fully paid up, allotted pursuant to exercise of option for conversion of 17,36,100 Warrants issued in terms of Chapter V of SEBI (ICDR) Regulations, 2018 (Preferential Issue) to Shriram Capital Limited (Promoter) of the Company.

D. Following details regarding the directors of the Company:

i. ***Details of the current Directors of the Company:***

Name, Designation, DIN	Age	Address	Date of	Details of other	Whether wilful

and Occupation			appointment	directorship	defaulter (Yes/No)
Mr. Jugal Kishore Mohapatra *Chairman, Non-Executive and Independent Director* DIN: 03190289 Term: Appointment as an Additional Director in the category of Independent Director of the Company, subject to approval of the shareholders of the Company for the term of Three years commencing from December 4, 2022 to December 3, 2025 Occupation: Retired Civil Servant (I.A.S)	66 years	Flat No.101, Lova Villa, Plot No. 408, Saheed Nagar, Bhubaneswar - 751007	December 4, 2022	i. Urban Mass Transit Company Limited; ii. India International Bullion Exchange IFSC; iii. Foundation For Development Of Rural Value Chains;	No
Mr. Umesh Govind Revankar *Executive Vice Chairman* DIN: 00141189 Term: Re-designated as Executive Vice Chairman of the Company with effect from December 5, 2022, subject to approval of the shareholders of the Company. Occupation: Service	57 years	1001, Simran CHS Ltd., Plot no. 9, 15th Road, Khar (West), Near Gabana HDFC Bank, Mumbai – 400052.	October 25, 2016	i. Shriram Investment Holdings Limited ii. Shriram Capital Private Limited iii. Shriram Gi Holdings Private Limited iv. Shriram Li Holdings Private Limited v. Shriram Credit Company Limited; vi. Shriram General Insurance Company Limited; vii. Shriram Automall India Limited; viii. Shriram Life Insurance Company Limited ix. Finance Industry Development Council	No
Mrs. Maya S. Sinha *Non- Executive and Independent Director* DIN: 03056226 Term: Appointment as an Additional Director in the category of Independent Director of the Company, subject to approval of the shareholders of the Company for the term of Two years commencing from December 4, 2022 to December 3, 2024 Occupation: Service	63 years	11, Vipul Bldg., 28, B. G. Kher Marg, Malabar Hill, Mumbai - 400 006	December 4, 2022	i. Shreyas Shipping And Logistics Limited; ii. Tata Lockheed Martin Aerostructures Limited; iii. Prabhat Properties Private Limited; iv. Tata Advanced Systems Limited; v. Clear Maze Consulting Private Limited; vi. Tata Boeing Aerospace Limited; vii. CMC Skills Private Limited; viii. CMCEE Mega Skills Private Limited	No
Mr. Sridhar Srinivasan *Non-Executive and Independent Director* DIN: 00004272 Term: Re-appointed for 5 consecutive years commencing from October 20, 2019.	71 years	D-905, Ashok Towers, Dr. S.S Rao Road, Parel, Mumbai- 400 012	October 20, 2014	i. Strides Pharma Science Limited; ii. Jubilant Pharmova Limited iii. Strategic Research and Information Capital Services Private Limited; iv. IIFL Home Finance Limited; v. GVFL Trustee Company Private Limited vi. Universal Trustees	No

Occupation: Management Consultant				Private Limited vii. Essfore Consultancy Services LLP viii. Evyavan Capital Limited ix. Evyavan Capital Advisors Limited x. Evyavan Asset Management Limited xi. BSE Administration and Supervision Ltd. xii. Go Fashion (India) Ltd. xiii. BSV Associates LLP	
Mr. Ravi Devaki Venkataraman *Non-Executive and Non-Independent Director* DIN: 00171603 Term: Liable to retire by Rotation Occupation: Service	57 years	B3E, Regal Palm Gardens, CEE DEE YES Apartments, Velachery Tambaram Road, Velachery, Chennai-600 042	June 18, 2015	i. Shriram Capital Private Limited; ii. DRP Consultants Pvt. Ltd.; iii. Shriram Properties Holding Pvt. Ltd; iv. Intelent Data Sciences Private Limited; v. Shriram Credit Company Limited; vi. Shriram Investment Holdings Limited vii. Take Sports Management Private Limited viii. APA Engineering Pvt. Ltd. ix. R.K.P. Management Consultants Private Limited x. Eywa Pharma Pte Limited	No
Mr. Pradeep Kumar Panja *Non-Executive and Independent Director* DIN: 03614568 Term: Five years with effect from October 25, 2018 Occupation: Service	66 years	'Bhaskara', 21, I Main Road, 4th Cross, Gaurav Nagar, JP Nagar 7th Phase Bangalore 560 078	October 25, 2018	i. Brigade Enterprises Ltd.; ii. Penna Cement Industries Ltd.; iii. TVS Capital Funds Pvt. Ltd. iv. The Karnataka Bank Limited v. Virescent Infrastructure Investment Manager Pvt. Ltd. vi. Asset Reconstruction Company (India) Ltd.	No
Mr. Ignatius Michael Viljoen *Non-Executive and Non-Independent Director* DIN: 08452443 Term: Liable to retire by Rotation Occupation: Credit Portfolio Manager at Sanlam Emerging Markets Protfolio Management	49 years	419, Highland Road, Kensington, Johhannesburg, 2094, South Africa	May 14, 2019	i. Sanlam Credit Fund Advisor (Pty) Limited; ii. African Life Holdings Limited; iii. African Life Financial Services Zambia Limited; and iv. Aflife Properties Limited v. Letshego Holdings Limited	No
Mr. Y. S. Chakravarti *Managing Director & CEO* DIN: 00052308 Term: Appointed as Managing Director &	59 years	Flat No. 302, Banjara Heritage Apartments, Road No. 3 Panchavati Society, Banjara Hills, Hyderabad - 500 034	December 5, 2022 (December 13, 2021 to December 4, 2022 - Non Executive	i. Shriram Housing Finance Ltd.; ii. Shriram Chits (India) Pvt. Ltd.	No

CEO of the Company from December 5, 2022, subject to approval of the shareholders of the Company. Occupation: Service			Director)		
Mr. Parag Sharma *Whole Time Director designated as Joint Managing Director and Chief Financial Officer* DIN: 02916744 Term: appointed as Whole Time Director designated as Joint Managing Director and Chief Financial Officer of the Company for a period of five years with effect from December 13, 2021. Occupation: Service	53 years	B-1401, Ellora, Plot No.27, Sector -11, CBD Belapur, Navi Mumbai - 400614	December 13, 2021	NIL	No

Profile of Directors

Mr. Jugal Kishore Mohapatra (Chairman, Independent Director)

Mr. Jugal Kishore Mohapatra, is a Post Graduate from Delhi School of Economics, joined Odisha Cadre of IAS in 1979. Later, he also obtained Masters Degree in Economics from Boston University, USA. Mr. Mohapatra has all round experience in Govt. of India and Govt of Odisha. He served as Secretary in the Department of Fertilisers and Rural Development in Government of India during 2014-16. He was secretary to the Hon'ble Chief Minister, Odisha, Principal Secretary Finance and Chief Secretary in the Government of Odisha. He served on the Board of NABARD Financial Services Limited as an Independent Director and also on the Board of NHPC Limited as an Independent Director. He is serving on the Board of Urban Mass Transit Company Limited as an Independent Director and Nominee Director of Foundation for development of Rural Value Chains. Presently, he is serving with IIBX limited as a public interest director.

Mr. Umesh Govind Revankar (Executive Vice Chairman)

Mr. Umesh Govind Revankar holds a bachelor's degree in business management from Mangalore University and a master of business administration (MBA) in finance. He attended the Advanced Management Program at Harvard Business School. Mr. Revankar started his career with the Shriram group as an executive trainee in 1987. He has been associated with the Shriram group for the last 35 years and has extensive experience in the financial services industry. During his stint with the Shriram Group, he has shouldered various responsibilities and worked in several key roles of business operations.

Mr. Y S Chakravarti (Managing Director and CEO)

Mr. Y. S. Chakravarti, is appointed as Managing Director and CEO of the Company. He holds a degree in Bachelor of Commerce. He started his career in Shriram Chits Private Limited, Andhra Pradesh ('Shriram Chits') in June 1991 as an executive trainee. In the year 1998, he rose to the position of Chief Executive of Shriram Chits and was promoted to the position of Executive Director of Shriram Chits in March 2004. He was instrumental in achieving manifold expansion of the branch network business of Shriram Chits with 35,000 customer base and auction turnover of Rs. 40 crores per annum. In the year 2008, he was promoted to take charge as Executive Director of erstwhile Shriram City Union Finance Limited (SCUF), initially as Business Head for financing purchase of two wheelers in the state of Andhra Pradesh. Under his leadership, Shriram Chits had expanded to 187 branches covering 5,00,000 customers and with an auction turnover of Rs.2,000 Crores per annum. 40% of the customers were small business owners. He was responsible for Andhra Pradesh becoming the leading contributor of the business of SCUF. He was a Managing Director and CEO of erstwhile SCUF. He was Non-Executive Non-Independent Director of the Company till December 4,2022.

Mr. S. Sridhar (Independent Director)

Mr. S. Sridhar, is an Independent Director of the Company. He studied at the Indian Institute of Technology, Delhi and Jamnalal Bajaj Institute of Management Studies, Mumbai. He was awarded the Lord Aldington Banking Research Fellowship for the year 1984 by the Indian Institute of Bankers. He has received many awards / honours, particularly for his innovative business models and intuition building. He was Chairman and Managing Director of Central Bank of India until May 31, 2011 and earlier of National Housing Bank, India's regulator of Housing Finance Companies and the apex Financial Institution for housing. He is a banker with about 40 years experience in commercial and development banking of which 13 years were at the CEO / Board level. He is widely acknowledged to be an innovative, market oriented banker and strategic thinker having provided transformational leadership to the organisations he had worked for. He was a pioneer in championing the concept of affordable housing in India and contributed significantly to public policy formulation. Mr. Sridhar started his career with State Bank of India, India's largest commercial Bank. He also worked as Executive Director and Chief Operating Officer of Export Import Bank of India, India's apex export financing institution between 2001 and 2006.Currently, he serves as an Independent Director on the Boards of various companies, and also as a consultant to financial services companies. Mr. Sridhar has served in various national level committees and task forces for framing financial sector policies. He was on the Managing Committee of the Indian Banks' Association, served on the Emerging Markets Council of the Institute of International Finance, Washington DC. He has been an invited speaker at numerous national and international Conferences including Chatham House Lectures.

Mr. Pradeep Kumar Panja (Independent Director)

Mr. Pradeep Kumar Panja holds Master's Degree in Science (Statistics) from the University of Madras. He is a Certified Associate of the Indian Institute of Bankers. He is a career banker, retired as Managing Director (Corporate Banking) of State Bank of India (SBI), the largest bank of the country, in October 2015. During his long association of 39 years with SBI (3 years of which at Board level), he gained rich experience in various areas of banking including corporate and international banking, treasury management, information technology, retail, transaction banking, strategic planning, business development, risk management. He has excellent track record of successfully leading large teams across various business verticals of SBI. He also successfully led the US Operations of SBI as the Country Head-US. He held multiple assignments driving large projects in the Information Technology Wing of SBI. As a Head of IT (Chief Information Officer), he led SBI's IT strategy, set up India's largest data warehouse. He also lead the analytics foray of SBI. During his association with SBI he was member of important committees of directors and was chairman of Risk Management Committee. He is a member of Board of Directors of companies engaged in the business of real estate, asset reconstruction, software business, cements etc.

Mrs. Maya S Sinha (Independent Director)

Mrs. Maya S Sinha is a graduate B A (Honours) in Economics and Mathematics from Lady Shri Ram College, Delhi University and holds a Masters' degree from the Delhi School of Economics, Delhi University specialised in Econometrics, Monetary Finance and Public Economics. She is founder Director of Clear Maze Consulting (Pvt) Limited, which is a consultancy firm in the area of PPPs since July 2013. She is also the Founder Director of M/S CMC Skills Pvt Ltd, engaged in the implementation of Government funded and CSR funded projects for Skill Development. Prior to commencing her entrepreneurial journey, Mrs. Sinha was a member of the IRS, 1981 Batch. She took VRS in 2010. In her almost 30 year career in the Goverment of India, she served for about 23 years in the Income Tax Dept. She worked for a considerable time in the Investigation Wing in New Delhi and Mumbai, apart from handling assessment and appeals of large corporates. She was on deputation as the Commissioner of Khadi and Village Industries Commission, a Goverment of India Undertaking engaged in employment generation through promotion of rural entrepreneurship. Her last assignment before taking VRS was as Deputy Chairman of the Jawaharlal Nehru Port Trust .From June 2010 to June 2013 she was Executive Director of M/s Core Education and Technologies Limited ("CETL") a listed company, engaged in providing technology based solutions to educational institutions in the areas of Teaching, Learning, Assessment and Governance. CETL had grown fast globally both inorganically and organically under her leadership. She was also on the Board of Shriram Equipment Finance Company Limited (SEFCL) a wholly owned subsidiary of Shriram Transport Finance Company Limited (now, Shriram Finance Limited) as Independent Director from January 24, 2015 to April 19, 2016. SEFCL was amalgamated on April 19, 2016 with the Company.

Mr. Parag Sharma (Whole-Time Director designated as Joint Managing Director and Chief Financial Officer)

Mr. Parag Sharma, B.Com (Hons), Grad CWA, has been working in the Shriram Group for about three decades. He has been a dynamic, successful and accomplished Chief Financial Officer of the Company for past several years and is responsible for introducing innovative techniques and methods of raising funds through domestic as well as international sources. He is expert in handling matters related to Finance & Accounts, MIS, Resource

Mobilisation, Treasury Management, Planning and Budgeting, Corporate Strategy and relationships with Rating agencies, Banks, Investors, Regulators, etc.

Mr. D.V. Ravi (Non-Executive and Non-Independent Director)

Mr. D V Ravi is a commerce graduate from the University of Bangalore and holds a Post Graduate Diploma in Management from the Institute of Rural Management, Anand (IRMA). He currently serves as the Managing Director of Shriram Capital Ltd. He also serves the Board of various companies under the Group. Over time, his portfolio grew to include key areas of Corporate Strategy and services, Corporate Finance, Information Technology and Process activities of the Group. He is also the Non-Executive Director and Co-founder of TAKE Solutions Ltd., a global technology solutions and service provider. Mr. Ravi has also spearheaded several successful Mergers and Acquisitions for TAKE. He also joined the Commercial Vehicle Finance business of Shriram Group in 1992 as Head of Investment Servicing. He started his career in strategy and finance in 1987 with Karnataka Oil Seeds Federation, Bangalore. His areas of expertise in this role include Corporate Strategy, Synergy Creation, Risk Management Efforts, Leadership Development and Corporate Finance.

Mr. Ignatius Michael Viljoen (Non-Executive and Non-Independent Director)

Mr. Ignatius Michael Viljoen is a Head of Credit-Sanlam Pan Africa Portfolio Management, South Africa and is responsible for a range of credit risk and credit portfolio management aspects across the various entities owned by the Sanlam Group outside of the Republic of South Africa. He has been associated with Sanlam Group since September 2003. Sanlam is a 100 year old company with strong financials, management and culture in South Africa. Sanlam is a diversified financial services group, headquartered in South Africa, operating across number of selected global markets. Mr. Ignatius Michael Viljoen is a nominee of Sanlam.

ii. Details of change in Directors since last three years:-

Name, Designation and DIN	**Date of Appointment**	**Date of cessation, if applicable**	**Date of resignation, if applicable**	**Remarks**
Mr. Amitabh Chaudhry *Non- Executive and Independent Director* DIN: 00531120	October 30, 2012	--	October 26, 2018	Resigned as an Independent Director
Mr. Pradeep Kumar Panja *Non-Executive and Independent Director* DIN: 03614568	October 25, 2018	--	--	Appointed as an additional director in the capacity of Independent Director
Mr. Sumati Prasad Mishrilal Bafna *Non-Executive and Independent Director* DIN: 00162546	September 09, 2005	April 01, 2019	--	Retired as an Independent Director
Mr. Gerrit Van Heerde *Non-Executive and Non-Independent Director* DIN: 06870337	May 15, 2014	--	May 09, 2019	Resigned as a Director
Mr. Ignatius Michael Viljoen *Non- Executive and Non-Independent Director* DIN: 08452443	May 14, 2019	--	--	Appointed as Nominee Director
Mr. Puneet Bhatia *Non-Executive and Non-Independent Director* DIN: 00143973	October 26, 2006	August 19, 2020	--	Retired in the 41st AGM dated August 19, 2020
Mr. Y. S. Chakravarti	December 13,			Appointed in the category of

Non-Executive and Non-Independent Director DIN: 00052308	2021			Non-Executive and Non-Independent Director
Mr. Parag Sharma *Executive and Non-Independent Director designated as Joint Managing Director & Chief Financial Officer* DIN: 02916744	December 13, 2021			Appointed in the category of Executive and Non-Independent Director designated as Joint Managing Director & Chieff Financial Officer
Mr. Lakshminarayanan Subramanian *Chairman, Non-Executive and Independent Director* DIN: 02808698	September 22, 2009		December 05, 2022	Resigned as an Independent Director and Chairman
Mrs. Kishori Udeshi *Non- Executive and Independent Director* DIN: 01344073	October 30, 2012		December 05, 2022	Resigned as an Independent Director
Mr. Y. S. Chakravarti *Managing Director & CEO* DIN: 00052308	December 05, 2022			Appointed as Managing Director & CEO of the Company from December 5, 2022, subject to approval of the shareholders of the Company
Mr. Umesh Govind Revankar *Executive Vice Chairman* DIN: 00141189	December 5, 2022			Re-designated as Executive Vice Chairman of the Company with effect from December 5, 2022, subject to approval of the shareholders of the Company.
Mr. Jugal Kishore Mohapatra *Chairman, Non-Executive and Independent Director* DIN: 03190289	December 4, 2022			Appointd as an Additional Director in the category of Independent Director of the Company, subject to approval of the shareholders of the Company for the term of Three years commencing from December 4, 2022 to December 3, 2025
Mrs. Maya S. Sinha *Non- Executive and Independent Director* DIN: 03056226	December 4, 2022			Appointment as an Additional Director in the category of Independent Director of the Company, subject to approval of the shareholders of the Company for the term of Two years commencing from December 4, 2022 to December 3, 2024

E. Following details regarding the Auditors of the Company:

i. Details of the Auditor of the Company :-

Name	**Registered Office**	**Corporate Office and Website**	**Contact Person and**	**Date of Appointme**
M/s. Sundaram & Srinivasan Chartered Accountants	New No. 4, Old No. 23, C P Ramaswamy Road, Alwarpet, Chennai - 600018	www.sundaramandsrinivasan.com	Email: yessendes@sundaramandsrinivasan.com Tel: +91 044-24988762	15th September, 2021

M/s KKC & Associates LLP	Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai 400013, India	www.kkc.in	Email- info@kkc.in Tel: +91 22 61437333	15th September, 2021

ii. Details of change in Auditor since last three years:-

Name	Address	Date of Appointment	Date of cessation, if applicable	Date of resignation, if applicable
M/s. Haribhakti & Co. LLP	705, Leela Business Park, Andheri-Kurla Road, Andheri I, Mumbai- 400059	Appointed in the AGM dated June 29, 2017	Not Applicable	September 15,2021 (after conclusion of Extraordinary General Meeting)
M/s. Pijush Gupta & Co.	P 199, CIT Road, Scheme IV-M, Kolkata, West Bengal – 700010	Appointed in the AGM dated June 29, 2017	Not Applicable	September 15,2021 (after conclusion of Extraordinary General Meeting)

F. Details of borrowing of the company as on December 31, 2022:

i. Details of Outstanding Secured Loan Facilities :-

TERM LOAN

(Rs. In Crores)

Lender's Name / Name Of The Bank	Date of Disbursement	Date of Maturity	Amounts Sanctioned	Amt. O/s. as per IND-AS as on December 31, 2022	Repayment Schedule	Security
CANARA BANK	13/11/2017	13/02/2023	160.00	7.99	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
CANARA BANK	19/12/2017	13/02/2023	260.00	12.96	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
CANARA BANK	29/12/2017	13/02/2023	80.00	4.00	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
PUNJAB NATIONAL BANK BANK OF INDIA	17/01/2018	17/04/2023	300.00	29.69	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
UNION BANK OF INDIA	29/01/2018	29/01/2023	500.00	24.99	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
PUNJAB AND SIND BANK	22/05/2018	22/05/2023	130.00	12.86	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
BANK OF INDIA	04/06/2018	30/06/2023	400.00	39.88	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
MUFG BANK LTD	11/02/2022	10/02/2023	375.00	374.77	BULLET	SPECIFIC RECEIVABLES
JANA SMALL FINANCE BANK	25/03/2022	03/04/2025	75.00	60.01	36 MONTHLY INSTALLMENTS (EMI)	SPECIFIC RECEIVABLES
BANDHAN BANK	31/03/2022	29/03/2025	150.00	112.40	12 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
HDFC BANK	30/06/2022	29/12/2025	650.00	542.92	14 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
HDFC BANK	30/06/2022	29/12/2025	350.00	293.16	14 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
HONGKONG AND SHANGHAI BANKING CORP LTD	27/06/2022	26/06/2027	100.00	88.06	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
DEUTSCHE BANK	10/05/2022	08/05/2026	300.00	294.63	BULLET	SPECIFIC RECEIVABLES
CANARA BANK	30/06/2022	30/06/2027	500.00	442.74	20 QURTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
BANDHAN BANK	31/05/2022	29/03/2025	50.00	37.53	12 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES

Lender's Name / Name Of The Bank	Date of Disbursement	Date of Maturity	Amounts Sanctioned	Amt. O/s. as per IND-AS as on December 31, 2022	Repayment Schedule	Security
INDIAN BANK	29/03/2019	29/03/2024	300.00	70.20	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
BANK OF INDIA	21/09/2019	30/09/2024	650.00	222.41	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
UNION BANK OF INDIA	10/10/2019	10/10/2024	500.00	195.99	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
CANARA BANK	27/12/2019	27/03/2025	250.00	111.60	20 QUARTERLY INSTALMENTS	SPECIFIC RECEIVABLES
CENTRAL BANK OF INDIA	18/03/2020	18/03/2025	500.00	222.51	20 QUARTERLY INSTALLMENTS FROM THE DATE OF DISBURSEMENT.	SPECIFIC RECEIVABLES
INDIAN BANK	31/03/2020	30/03/2025	500.00	214.25	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
AXIS BANK	31/03/2020	31/03/2023	250.00	20.61	12 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
STATE BANK OF INDIA	08/05/2020	31/03/2025	50.00	21.48	20 QUARTERLY INSTALLMENTS STARTING FROM 30 TH JUNE 2020	SPECIFIC RECEIVABLES
STATE BANK OF INDIA	30/05/2020	31/03/2025	200.00	83.51	20 QUARTERLY INSATLLMENTS STARTING FROM 30 TH JUN20	SPECIFIC RECEIVABLES
INDUSIND BANK	30/06/2020	30/06/2023	166.50	26.88	12 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
STATE BANK OF INDIA	16/07/2020	31/03/2025	250.00	106.37	20 QUARTERLY INSATLLMENTS	SPECIFIC RECEIVABLES
BANK OF BARODA	06/08/2020	06/08/2023	275.00	60.89	36 QUARTERLY INSTALMENTS OF RS.76388889 EACH.	SPECIFIC RECEIVABLES
AXIS BANK	31/08/2020	31/08/2023	250.00	61.89	11 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
CENTRAL BANK OF INDIA	24/12/2020	24/12/2025	500.00	296.49	20 QUARTERLY INSATLLMENTS	SPECIFIC RECEIVABLES
INDUSIND BANK	31/12/2020	31/12/2023	150.00	73.86	BULLET	SPECIFIC RECEIVABLES
HONGKONG AND SHANGHAI BANKING CORP LTD	12/02/2021	12/08/2023	850.00	198.48	6 QUARTERLY INSTAMENTS WITH A MORATORIUM OF 1 YEAR	SPECIFIC RECEIVABLES
UNION BANK OF INDIA	05/03/2021	05/03/2026	500.00	317.73	20 QUARTERLY INSATLLMENTS	SPECIFIC RECEIVABLES
UCO BANK	23/03/2021	23/03/2026	200.00	125.72	60 MONTHLY INSTALLMENTS	SPECIFIC RECEIVABLES
UCO BANK	23/03/2021	23/03/2026	200.00	125.72	60 MONTHLY INSTALLMENTS	SPECIFIC RECEIVABLES
DHANLAKSHMI BANK	31/03/2021	31/03/2024	50.00	20.45	11 QUARTERLY INSTALLMETS OF RS 4.17CRS & LAST INSTALLMENTS OF RS 4.13 CRS	SPECIFIC RECEIVABLES
FEDERAL BANK	31/03/2021	30/03/2025	200.00	109.80	48 MONTHLY INSTALLMENTS	SPECIFIC RECEIVABLES
SOUTH INDIAN BANK	22/06/2021	22/06/2023	75.00	18.69	8 QUARTERLY INSTALLMENTS OF RS.	SPECIFIC RECEIVABLES

Lender's Name / Name Of The Bank	Date of Disbursement	Date of Maturity	Amounts Sanctioned	Amt. O/s. as per IND-AS as on December 31, 2022	Repayment Schedule	Security
					9,37,50,000 EACH COMMENCING FROM 30 SEPTEMBER 2021 AND ENDING ON 22 JUNE 2023.	
EMIRATES NBD BANK PJSC	25/06/2021	30/06/2024	70.00	35.01	12 QUARTERLY INSTALMENT OF RS. 58333333.33 EACH COMMENCING FROM 25 SEPTEMBER 2021 AND ENDING ON 25 JUNE 2024.	SPECIFIC RECEIVABLES
AXIS BANK	30/06/2021	30/06/2024	500.00	247.27	12 QUARTERLY INSTALMENTS OF RS. 416666666.67 EACH COMMENCING FROM 01 OCTOBER 2021 AND ENDING ON 30 JUNE 2024.	SPECIFIC RECEIVABLES
HDFC BANK	30/06/2021	30/06/2024	325.00	162.50	12 QUARTERLY INSTALMENTS OF RS. 270833333.33 EACH COMMENCING FROM 30 SEPTEMBER 2021 AND ENDING ON 30 JUNE 2024.	SPECIFIC RECEIVABLES
HDFC BANK	30/06/2021	30/06/2024	175.00	87.50	12 QUARTERLY INSTALMENTS OF RS. 145833333.33 EACH COMMENCING FROM 30 SEPTEMBER 2021 AND ENDING ON 30 JUNE 2024.	SPECIFIC RECEIVABLES
EQUITAS SMALL FINANCE BANK	30/06/2021	05/07/2024	200.00	106.15	35 MONTHLY INSTALMENTS OF RS 5,56,00,000 EACH AND LAST INSTALMENT OF RS. 5,40,00,000 COMMENCING FROM 05 AUGUST 2021.	SPECIFIC RECEIVABLES
INDIAN BANK	02/09/2021	02/09/2026	1,500.00	1,104.67	60 MONTHLY INST ALLMENTS	SPECIFIC RECEIVABLES
INDIAN OVERSEAS BANK	16/09/2021	30/06/2026	300.00	207.08	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES

Lender's Name / Name Of The Bank	Date of Disbursement	Date of Maturity	Amounts Sanctioned	Amt. O/s. as per IND-AS as on December 31, 2022	Repayment Schedule	Security
CANARA BANK	29/09/2021	29/09/2026	500.00	367.30	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
STANDARD CHARTERD BANK	29/09/2021	29/04/2024	175.00	174.97	BULLET	SPECIFIC RECEIVABLES
INDUSIND BANK	30/09/2021	30/09/2024	200.00	173.05	BULLET	SPECIFIC RECEIVABLES
DBS BANK LTD	30/09/2021	30/09/2024	200.00	116.69	BULLET	SPECIFIC RECEIVABLES
DOHA BANK	29/09/2021	01/10/2024	24.00	14.00	12 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
DOHA BANK	29/09/2021	01/10/2024	36.00	21.00	12 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
QUATAR NATIONAL BANK	23/12/2021	23/12/2024	45.00	30.01	6 HALF YEARLY INSTALMENTS	SPECIFIC RECEIVABLES
KEB HANA BANK	28/12/2021	28/12/2024	50.00	33.35	12 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
UCO BANK	31/12/2021	31/12/2026	200.00	159.10	60 MONTHLY INSTALLMENTS	SPECIFIC RECEIVABLES
UNION BANK OF INDIA	30/12/2021	30/12/2026	500.00	395.38	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
HDFC BANK	31/12/2021	30/06/2025	575.00	407.58	14 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
HDFC BANK	31/12/2021	30/06/2025	175.00	124.05	14 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
JP MORGAN CHASE BANK	25/10/2021	25/04/2023	350.00	349.91	BULLET	SPECIFIC RECEIVABLES
HDFC BANK	31/03/2022	30/09/2025	750.00	589.29	14 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
HDFC BANK	31/03/2022	30/09/2025	250.00	196.43	14 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
INDIAN OVERSEAS BANK	29/03/2022	30/03/2027	200.00	169.69	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
HONGKONG AND SHANGHAI BANKING CORP LTD	24/03/2022	12/02/2027	450.00	382.58	20 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
DHANLAKSHMI BANK	31/03/2022	31/03/2026	37.50	30.43	16 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
CITI BANK	19/09/2022	18/09/2025	300.00	274.94	12 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
PUNJAB NATIONAL BANK	27/09/2022	27/09/2027	500.00	472.09	60 QURTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
AXIS BANK	15/07/2022	01/07/2026	750.00	634.33	16 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
AXIS BANK	15/07/2022	01/07/2026	400.00	338.31	16 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
CANARA BANK	30/09/2022	30/09/2027	500.00	466.57	20 QURTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
HONGKONG AND SHANGHAI BANKING CORP LTD	18/08/2022	18/08/2027	450.00	427.61	20 QURTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
HONGKONG AND SHANGHAI BANKING CORP LTD	18/08/2022	18/08/2025	300.00	275.07	12 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
BANK OF BARODA	28/09/2022	28/09/2027	1,000.00	942.22	20 QURTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
INDIAN BANK	30/09/2022	30/09/2027	350.00	348.19	19 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
BANDHAN BANK	29/07/2022	29/03/2025	50.00	37.50	12 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
AXIS BANK	31/12/2022	31/12/2026	1,000.00	994.90	16 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES

Lender's Name / Name Of The Bank	Date of Disbursement	Date of Maturity	Amounts Sanctioned	Amt. O/s. as per IND-AS as on December 31, 2022	Repayment Schedule	Security
AXIS BANK	31/12/2022	31/12/2026	500.00	497.45	16 QUARTERLY INSTALLMENTS	SPECIFIC RECEIVABLES
UCO BANK	20/12/2022	20/12/2027	250.00	248.64	60 MONTHLY INSTALLMENTS	SPECIFIC RECEIVABLES
BANK OF BARODA	30-Jun-18	30-Jun-23	100.00	10.41	19 quarterly installments after moratorium of 3 months	SPECIFIC RECEIVABLES
BANK OF BARODA	2-Jul-18	30-Jun-23	400.00	41.63	19 quarterly installments after moratorium of 3 months	SPECIFIC RECEIVABLES
BANK OF BARODA	9-Jan-19	9-Apr-23	200.00	33.06	Repayable in 12 equal quarterly installments with initial moratorium period of 15 months	SPECIFIC RECEIVABLES
INDIAN BANK	18-Feb-19	18-Feb-23	300.00	27.38	11 equal quarterly installments after initial moratorium of 17 months	SPECIFIC RECEIVABLES
INDIAN BANK	22-Mar-19	22-Mar-23	500.00	42.12	12 quarterly installments after moratorium period of 1 year.	SPECIFIC RECEIVABLES
CANARA BANK	30-Mar-19	30-Mar-23	150.00	10.68	14 quarterly installments after moratorium of 6 months	SPECIFIC RECEIVABLES
CANARA BANK	6-May-19	6-May-23	150.00	21.39	14 quarterly installments after moratorium of 6 months	SPECIFIC RECEIVABLES
CANARA BANK	25-Nov-19	25-Nov-23	150.00	39.67	Repayable in 15 equal quarterly Installments after a moratorium period of 3 months	SPECIFIC RECEIVABLES
CANARA BANK	28-Nov-19	28-Nov-23	150.00	39.67	Repayable in 15 equal quarterly Installments after a moratorium period of 3 months	SPECIFIC RECEIVABLES
HDFC BANK LTD	21-Mar-20	21-Mar-23	150.00	12.60	Repayable in 36 monthly installments	SPECIFIC RECEIVABLES
BANK OF INDIA	26-Mar-20	26-Mar-24	600.00	269.93	Repayable in 11 quarterly installments after an initial moratorium of 15	SPECIFIC RECEIVABLES

Lender's Name / Name Of The Bank	Date of Disbursement	Date of Maturity	Amounts Sanctioned	Amt. O/s. as per IND-AS as on December 31, 2022	Repayment Schedule	Security
					month	
THE CATHOLIC SYRIAN BANK	28-Sep-20	28-Sep-23	60.00	22.29	8 equal quarterly installments after initial moratorium.	SPECIFIC RECEIVABLES
CANARA BANK	30-Sep-20	30-Sep-24	500.00	232.03	15 equal quarterly installments after initial moratorium of 3 Months	SPECIFIC RECEIVABLES
INDIAN BANK	30-Sep-20	30-Sep-24	300.00	149.93	14 equal quarterly installments after a moratorium 6 Months	SPECIFIC RECEIVABLES
BANK OF BARODA	17-Dec-20	16-Sep-24	200.00	97.57	14 Quarterly installments with 3 months of moratorium	SPECIFIC RECEIVABLES
FEDERAL BANK	18-Dec-20	18-Dec-23	100.00	39.63	10 quarterly installments after moratorium of 6 months	SPECIFIC RECEIVABLES
UNION BANK OF INDIA	31-Dec-20	31-Dec-24	200.00	105.05	15 quarterly Installments with moratorium of 3 months	SPECIFIC RECEIVABLES
HSBC BANK LTD	16-Feb-21	15-Feb-24	150.00	63.65	33 Equated Monthly installments moratorium of 3 month	SPECIFIC RECEIVABLES
HDFC BANK LTD	26-Feb-21	26-Feb-23	250.00	21.02	24 Equated Monthly installments	SPECIFIC RECEIVABLES
INDIAN OVERSEAS BANK	31-Mar-21	31-Mar-25	300.00	189.58	14 quarterly installments after a moratorium of 6 months	SPECIFIC RECEIVABLES
CANARA BANK	27-May-21	31-May-25	200.00	132.01	15 equal quarterly Installments after a moratorium of 3 months	SPECIFIC RECEIVABLES
HDFC BANK LTD	31-May-21	31-May-23	250.00	52.50	24 equated Monthly Installments	SPECIFIC RECEIVABLES
HDFC BANK LTD	31-May-21	31-May-24	500.00	237.54	36 equated Monthly Installments	SPECIFIC RECEIVABLES
THE SOUTH INDIAN BANK	31-May-21	31-May-25	75.00	67.93	15 Month Moratorium, Repaid in 11 Installments (10 quarterly of Rs.682 lacs &	SPECIFIC RECEIVABLES

Lender's Name / Name Of The Bank	Date of Disbursement	Date of Maturity	Amounts Sanctioned	Amt. O/s. as per IND-AS as on December 31, 2022	Repayment Schedule	Security
					last one Rs. 680 lacs)	
INDIAN OVERSEAS BANK	22-Jun-21	30-Jun-25	150.00	105.62	14 equal quarterly Installments after a moratorium of 6 months	SPECIFIC RECEIVABLES
FEDERAL BANK	30-Jun-21	30-Jun-24	50.00	29.86	10 equal quarterly Installments after a moratorium of 6 months	SPECIFIC RECEIVABLES
UJJIVAN SMALL FINANCE BANK LTD	30-Jun-21	30-Jun-23	75.00	18.65	24 equal monthly installments	SPECIFIC RECEIVABLES
EQUITAS SMALL FINANCE BANK	30-Jun-21	5-Jul-24	100.00	58.55	12 equal Quarterly Installments	SPECIFIC RECEIVABLES
BARCLAYS BANK	30-Jun-21	30-Jun-23	150.00	37.26	8 equal Quarterly Installments	SPECIFIC RECEIVABLES
BANK OF MAHARASHTRA	27-Aug-21	26-Aug-25	250.00	183.80	15 equal quarterly Installments after a moratorium of 3 months	SPECIFIC RECEIVABLES
INDIAN BANK	31-Aug-21	30-Aug-25	500.00	453.75	12 equal quarterly Installments after a moratorium of 12 months	SPECIFIC RECEIVABLES
HSBC BANK LTD	21-Sep-21	20-Sep-24	125.00	79.57	33 equal monthly Installments after a moratorium of 3 months	SPECIFIC RECEIVABLES
INDIAN BANK	30-Sep-21	30-Sep-25	300.00	277.36	12 equal quarterly Installments after a moratorium of 12 months	SPECIFIC RECEIVABLES
INDIAN BANK	22-Oct-21	22-Oct-25	700.00	705.59	12 equal quarterly Installments after a moratorium of 12 months	SPECIFIC RECEIVABLES
INDIAN OVERSEAS BANK	25-Oct-21	31-Oct-25	50.00	42.41	14 quarterly installments after a moratorium of 6 months	SPECIFIC RECEIVABLES
CANARA BANK	17-Nov-21	17-Nov-26	500.00	415.25	19 quarterly installments after a moratorium of 3 months	SPECIFIC RECEIVABLES
AXIS BANK LTD	25-Nov-21	30-Nov-24	200.00	177.42	9 quarterly installments, commencing 12	SPECIFIC RECEIVABLES

Lender's Name / Name Of The Bank	Date of Disbursement	Date of Maturity	Amounts Sanctioned	Amt. O/s. as per IND-AS as on December 31, 2022	Repayment Schedule	Security
					months from the date of first disbursement	
YES BANK	26-Nov-21	26-Nov-24	120.00	76.46	36 Equated Monthly installments	SPECIFIC RECEIVABLES
HDFC BANK LTD	31-Dec-21	30-Dec-24	500.00	335.48	36 Equated Monthly installments	SPECIFIC RECEIVABLES
KARUR VYASA BANK	4-Jan-22	31-Mar-25	50.00	37.25	36 equal monthly installments with 3 months moratorium	SPECIFIC RECEIVABLES
FEDERAL BANK	21-Jan-22	21-Jan-25	100.00	89.63	10 quarterly installments with 6 months moratorium	SPECIFIC RECEIVABLES
WOORI BANK	24-Jan-22	24-Jan-25	60.00	41.11	36 monthly installments	SPECIFIC RECEIVABLES
THE SOUTH INDIAN BANK	25-Jan-22	25-Jan-26	70.00	69.78	11 quarterly installments with 15 months moratorium (Rs. 6.40 Crores 10 Quarterly installments and the last installments being Rs. 6.00 Crores)	SPECIFIC RECEIVABLES
UNION BANK OF INDIA	25-Jan-22	25-Jan-26	200.00	170.79	15 quarterly installments with 3 months moratorium	SPECIFIC RECEIVABLES
HDFC BANK LTD	27-Jan-22	26-Jan-24	250.00	136.34	24 equal Monthly Installments	SPECIFIC RECEIVABLES
BANK OF BARODA	10-Feb-22	10-Feb-26	250.00	230.92	14 quarterly installments with 6 months moratorium	SPECIFIC RECEIVABLES
BANK OF BARODA	10-Feb-22	10-Feb-26	250.00	232.20	14 quarterly installments with 6 months moratorium	SPECIFIC RECEIVABLES
DBS BANK	29-Mar-22	29-Mar-24	50.00	37.53	8 quarterly installments with 3 months moratorium	SPECIFIC RECEIVABLES
DBS BANK	12-Apr-22	29-Mar-24	150.00	112.60	8 quarterly installments with 3 months moratorium	SPECIFIC RECEIVABLES
HDFC BANK LTD	27-May-22	26-May-25	500.00	405.29	36 monthly repayments	SPECIFIC RECEIVABLES
HDFC BANK LTD	30-May-22	27-May-24			24 monthly	SPECIFIC

Lender's Name / Name Of The Bank	Date of Disbursement	Date of Maturity	Amounts Sanctioned	Amt. O/s. as per IND-AS as on December 31, 2022	Repayment Schedule	Security
			500.00	356.45	repayments	RECEIVABLES
RBL BANK	6-Jun-22	6-Jun-24	150.00	112.17	8 quarterly installments	SPECIFIC RECEIVABLES
CANARA BANK	21-Jun-22	30-Jun-27	300.00	279.08	19 quarterly installments after initial moratorium of 3 months	SPECIFIC RECEIVABLES
UJJIVAN SMALL FINANCE BANK LTD	30-Jun-22	30-Jun-24	50.00	37.41	24 Monthly installments	SPECIFIC RECEIVABLES
BANK OF BARODA	30-Jun-22	27-Jun-26	500.00	497.74	14 quarterly installments after an initial moratorium of 6 months for each	SPECIFIC RECEIVABLES
INDUSIND BANK	30-Jun-22	30-Jun-25	500.00	409.88	36 monthly installments with no moratorium starting from one month after disbursement	SPECIFIC RECEIVABLES
BANDHAN BANK	30-Jun-22	29-Jun-26	200.00	186.37	15 equal quarterly installments post 3 months moratorium	SPECIFIC RECEIVABLES
FEDERAL BANK	9-Sep-22	9-Sep-26	75.00	74.55	14 equal quarterly installments post 6 months moratorium	SPECIFIC RECEIVABLES
FEDERAL BANK	9-Sep-22	9-Sep-26	75.00	74.47	14 equal quarterly installments post 6 months moratorium	SPECIFIC RECEIVABLES
INDIAN BANK	30-Sep-22	30-Sep-26	350.00	350.91	15 equal quarterly installments post 3 months moratorium	SPECIFIC RECEIVABLES
CANARA BANK	30-Sep-22	30-Sep-27	300.00	294.63	19 equal quarterly installments post 3 months moratorium	SPECIFIC RECEIVABLES
RBL BANK LIMITED	14-Oct-22	14-Sep-24	80.00	80.02	8 quarterly installments	SPECIFIC RECEIVABLES
BANK OF BARODA	27-Oct-22	27-Oct-26	500.00	500.12	14 quarterly installments after an initial moratorium of 6 months for each	SPECIFIC RECEIVABLES
STATE BANK OF INDIA	28-Feb-22	24-Feb-23	180.00	180.00	Bullet payment	SPECIFIC RECEIVABLES
STATE BANK OF	28-Feb-22	24-Feb-23			Bullet payment	SPECIFIC

Lender's Name / Name Of The Bank	Date of Disbursement	Date of Maturity	Amounts Sanctioned	Amt. O/s. as per IND-AS as on December 31, 2022	Repayment Schedule	Security
INDIA			180.00	180.00		RECEIVABLES
		Total	**25,384.50**	**26,863.47**		

**Security: Secured by hypothecation of specific assets covered under hypothecation loan agreements

Details of Outstanding Unsecured Term Loan Facilities: Nil

Details of Secured Loans Facilities from Working Capital Demand Loan:

(Rs. in Crores)

Sr. No.	Lender's Name / Name of The Bank	Date of Disbursement	Date of Maturity	Amount Sanctioned	Amt. O/s. as per IND AS as on December 31, 2022	Repayment Schedule	Security
1	CITI BANK	19/09/2022	19/09/2023	200.00	200.00	BULLET	SPECIFIC RECEIVABLES
2	YES BANK	15/09/2022	09/06/2023	240.00	240.00	BULLET	SPECIFIC RECEIVABLES
3	SUMITOMO MITSUI BANKING CORPORATION	22/12/2022	13/01/2023	300.00	300.07	BULLET	SPECIFIC RECEIVABLES
4	BANK OF INDIA	30/12/2022	16/01/2023	420.00	420.09	BULLET	SPECIFIC RECEIVABLES
5	INDIAN OVERSEAS BANK	06/12/2022	20/01/2023	200.00	200.00	BULLET	SPECIFIC RECEIVABLES
6	KOTAK MAHINDRA BANK	30/12/2022	03/02/2023	25.00	25.00	BULLET	SPECIFIC RECEIVABLES
7	STATE BANK OF INDIA	29/12/2022	05/01/2023	330.00	330.00	BULLET	SPECIFIC RECEIVABLES
8	INDUSIND BANK	31/12/2022	26/12/2023	75.00	74.18	BULLET	SPECIFIC RECEIVABLES
9	UNION BANK OF INDIA	23/12/2022	06/02/2023	500.00	499.74	BULLET	SPECIFIC RECEIVABLES
10	UCO BANK	30/11/2022	05/01/2023	100.00	100.00	BULLET	SPECIFIC RECEIVABLES
11	UCO BANK	30/12/2022	05/02/2023	475.00	475.20	BULLET	SPECIFIC RECEIVABLES
12	CENTRAL BANK OF INDIA	21/12/2022	21/03/2023	150.00	150.00	BULLET	SPECIFIC RECEIVABLES
13	INDIAN BANK	28/12/2022	31/01/2023	250.00	250.00	BULLET	SPECIFIC RECEIVABLES
14	PUNJAB NATIONAL BANK	28/11/2022	04/01/2023	400.00	400.08	BULLET	SPECIFIC RECEIVABLES
15	CANARA BANK	23/12/2022	02/01/2023	120.00	120.28	BULLET	SPECIFIC RECEIVABLES
16	CITI BANK	16-Jun-22	15-Jun-23	125.00	125.03	Bullet payment	SPECIFIC RECEIVABLES
17	YES BANK	17-Jun-22	15-Jun-23	49.00	49.00	Bullet payment	SPECIFIC RECEIVABLES
18	ICICI BANK LTD	20-Jul-22	16-Jan-23	30.00	30.01	Bullet payment	SPECIFIC RECEIVABLES
19	INDIAN BANK	22-Aug-22	22-Feb-23	75.00	75.59	Bullet payment	SPECIFIC RECEIVABLES
20	CITI BANK	23-Aug-22	22-Aug-23	50.00	50.01	Bullet payment	SPECIFIC RECEIVABLES
21	KOTAK MAHINDRA BANK	22-Sep-22	5-Mar-23	50.00	50.00	Bullet payment	SPECIFIC RECEIVABLES
22	STANDARD CHARTERED BANK	22-Sep-22	22-Sep-23	175.00	175.05	Bullet payment	SPECIFIC RECEIVABLES

Sr. No.	Lender's Name / Name of The Bank	Date of Disbursement	Date of Maturity	Amount Sanctioned	Amt. O/s. as per IND AS as on December 31, 2022	Repayment Schedule	Security
23	FEDERAL BANK	23-Sep-22	22-Mar-23	15.00	15.00	Bullet payment	SPECIFIC RECEIVABLES
24	STANDARD CHARTERED BANK	27-Sep-22	27-Sep-23	150.00	150.04	Bullet payment	SPECIFIC RECEIVABLES
25	STANDARD CHARTERED BANK	28-Sep-22	28-Sep-23	240.00	240.07	Bullet payment	SPECIFIC RECEIVABLES
26c	STANDARD CHARTERED BANK	28-Sep-22	28-Sep-23	150.00	150.04	Bullet payment	SPECIFIC RECEIVABLES
27	INDUSIND BANK	30-Sep-22	30-Sep-23	100.00	100.02	Bullet payment	SPECIFIC RECEIVABLES
28	CITI BANK	13-Oct-22	12-Oct-23	145.00	145.03	Bullet payment	SPECIFIC RECEIVABLES
29	PUNJAB NATIONAL BANK	6-Oct-22	6-Apr-23	62.85	62.87	Bullet payment	SPECIFIC RECEIVABLES
30	BANK OF BARODA	31-Oct-22	29-Apr-23	90.00	90.00	Bullet payment	SPECIFIC RECEIVABLES
31	DCB BANK	30-Dec-22	29-Mar-23	40.00	39.99	Bullet payment	SPECIFIC RECEIVABLES
32	INDIAN BANK	30-Dec-22	13-Feb-23	145.00	145.06	Bullet payment	SPECIFIC RECEIVABLES
33	KOTAK MAHINDRA BANK	20-Dec-22	18-Jan-23	0.44	0.44	Bullet payment	SPECIFIC RECEIVABLES
34	KOTAK MAHINDRA BANK	30-Dec-22	3-Feb-23	35.00	35.02	Bullet payment	SPECIFIC RECEIVABLES
			Total	**5512.92**	**5512.92**		

**Security: Secured by hypothecation of specific assets covered under hypothecation loan agreements

Details of Secured Loans Facilities from Financial Institutions:

(Rs. In Crores)

Sr. No.	Lender's Name / Name of the Bank	Date of Disbursement	Date of Maturity	Sanctioned Amt.	Amt. O/s. as per IND AS as on December 31, 2022	Repayment Schedule	Security**
1	NABARD	09/08/2017	31/01/2023	700.00	14.50	11 HALF YEARLY INSTALLMNENTS (6 INSTALLMENTS OF RS 105 CRS THEN 5 INSTALLMENTS OF RS 14CRS)	SPECIFIC RECEIVABLES
2	NABARD	01/11/2018	31/01/2024	500.00	31.32	11 INSTALLMENTS (6 INSTMTS OF RS 75 CRS STARTING FROM 31.01.2019 & 5 INSTMTS OF RS 10 CRS)	SPECIFIC RECEIVABLES
3	NABARD	13/11/2018	31/01/2024	324.00	20.30	11 INSTALLMENTS (6 INSTMTS OF RS 48.60 CRS STARTING FROM 31.01.2019 & 5 INSTMETS OF RS 6.48 CRS)	SPECIFIC RECEIVABLES
4	NABARD	28/03/2019	31/07/2024	320.00	26.69	11 HALF YEARLY INSTALLMENTS (6 INSTMTS OF RS 48 CRS STARTING FROM 31.01.2019 & 5	SPECIFIC RECEIVABLES

						INSTMTS OF RS 6.40 CRS)	
5	SIDBI	27/09/2022	10/03/2028	1,100.00	1,105.79	21 QUARTERLY INSTALMENT AFTER A MORATORIUM PERIOD OF 6 MONTHS	SPECIFIC RECEIVABLES
6	NABARD	31/12/2020	31/12/2025	1,500.00	900.00	BULLET	SPECIFIC RECEIVABLES
7	NABARD	26/02/2021	31/03/2026	1,000.00	632.09	20 QUARTERLY INSTALMENT OF RS. 50 CRS EACH.	SPECIFIC RECEIVABLES
8	SIDBI	19/03/2021	10/06/2026	400.00	275.91	20 QUARTERLY INSTALMENT AFTER A MORATORIUM PERIOD OF 6 MONTHS	SPECIFIC RECEIVABLES
9	MICRO UNITS DEVELOP MENT REFINANC E AGENCY LTD	25/03/2021	10/03/2024	200.00	80.38	12 QUARTERLY- 11 INSTALLMENTS OF RS 17CRS EACH & 12 TH INSTALLMENTS OF RS 13 CRS	SPECIFIC RECEIVABLES
10	NABARD	23/07/2021	30/06/2026	1,000.00	745.43	19 QUARTERLY INSTALLMENTS STARTING FROM 31ST DECEMBER 2021	SPECIFIC RECEIVABLES
11	SIDBI	17/08/2021	10/08/2024	1,000.00	729.31	11 QUARTERLY INSTALLMENTS AFTER A MORATORIUM PERIOD OF 9 MONTHS FROM THE DATE OF DISBURSEMENT	SPECIFIC RECEIVABLES
12	SIDBI	31/03/2022	10/03/2025	1,000.00	814.77	11 QUARTERLY INSTALLMENTS COMMENCING AFTER A MORATORIUM PERIOD OF UPTO 6 MONTHS	SPECIFIC RECEIVABLES
13	MICRO UNITS DEVELOP MENT REFINANC E AGENCY LTD	30/03/2022	10/01/2025	200.00	164.21	11 QUARTERLY INSTALLMENTS AFTER MORATORIUM PERIOD OF 3 MONTHS FROM THE DATE OF DISBURSEMENT	SPECIFIC RECEIVABLES
14	NATIONA L BANK FOR AGRICUL TURE AND RURAL DEVELOP MENT	25-Jun-19	31-Jul-24	500.00	53.27	10 half-yearly installments first 6 installments 7500 lakhs, last 4 installments 1250 lakhs	SPECIFIC RECEIVABLES
15	NATIONA L BANK FOR AGRICUL TURE AND RURAL DEVELOP MENT	29-Sep-20	30-Sep-25	500.00	281.61	5 years on quarterly basis at the last date of every month	SPECIFIC RECEIVABLES
16	SIDBI	17-Feb-21	10-May-26	300.00	211.16	Repayable in 20 equal quarterly installments of 15 crore &	SPECIFIC RECEIVABLES

						moratorium of 6 months.	
17	NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT	26-Feb-21	31-Mar-26	1,000.00	641.59	20 equal Quarterly Installments	SPECIFIC RECEIVABLES
18	BAJAJ FINANCE LIMITED	31-Mar-21	31-Mar-24	43.75	21.81	10 equal quarterly Installments after a moratorium of 6 months	SPECIFIC RECEIVABLES
19	TATA CAPITAL FINANCIALS	25-Jun-21	15-Jun-24	300.00	148.90	12 equal Quarterly Installments	SPECIFIC RECEIVABLES
20	NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT	30-Nov-21	30-Sep-26	1,500.00	1,200.00	3 Months Moratorium, Repaid in 19 quarterly installments (18th quarterly of Rs.7500 lakhs & last one Rs. 15000 lakhs)	SPECIFIC RECEIVABLES
21	BAJAJ FINANCE LIMITED	30-Nov-21	30-Nov-24	60.00	40.18	12 quarterly Installments after a moratorium of 3 months	SPECIFIC RECEIVABLES
22	BAJAJ FINANCE LIMITED	04-Jan-22	30-Nov-24	10.00	6.70	12 quarterly Installments	SPECIFIC RECEIVABLES
23	BAJAJ FINANCE LIMITED	31-Mar-22	31-Mar-25	5.00	4.18	12 quarterly Installments after a moratorium of 3 months	SPECIFIC RECEIVABLES
24	BAJAJ FINANCE LIMITED	22-Jun-22	22-Jun-25	125.00	115.02	12 equal quarterly installments to commence from the 3rd month from the date of first disbursement	SPECIFIC RECEIVABLES
25	TATA CAPITAL FINANCIALS	29-Jun-22	15-Jun-25	500.00	417.25	12 Equal quarterly installments till maturity	SPECIFIC RECEIVABLES
			Total	**14087.75**	**8682.36**		

**Security: Secured by hypothecation of specific assets covered under hypothecation loan agreements.

Details of External Commercial Borrowings:

(Rs. in Crores)

Sr. No.	Lender's Name / Name Of The Bank	Date of Disbursement	Date of Maturity	Sanctioned Amt.	Amt. O/s. as per IND AS as on December 31, 2022	Repayment Schedule	Security
1	HONGKONG AND SHANGHAI BANKING CORP LTD	10-Aug-18	10-Aug-23	481.04	580.22	BULLET	SPECIFIC RECEIVABLES

2	ICICI BANK LIMITED	10-Aug-18	10-Aug-23	480.69	580.23	BULLET	SPECIFIC RECEIVABLES
3	KOTAK MAHINDRA BANK	10-Aug-18	10-Aug-23	479.85	580.19	BULLET	SPECIFIC RECEIVABLES
4	DEUTSCHE BANK	10-Aug-18	10-Aug-23	480.20	580.19	BULLET	SPECIFIC RECEIVABLES
5	STANDARD CHARTERD BANK	10-Aug-18	10-Aug-23	480.55	580.20	BULLET	SPECIFIC RECEIVABLES
6	BNP PARIBAS	25-Oct-19	18-Apr-26	947.23	561.32	13 HALF YEARLY INSTALLMENTS	SPECIFIC RECEIVABLES
7	BNP PARIBAS	05-Nov-19	18-Apr-26	42.77	23.43	13 HALF YEARLY INSTALLMENTS	SPECIFIC RECEIVABLES
8	PROPORCO	24-Jan-20	15-Jun-27	499.10	470.77	11 HALF YEARLY INSTALLMENTS AFTER A MORATORIUM OF 2 YEARS FROM 15.06.2020	SPECIFIC RECEIVABLES
9	OESTERREICHISCHE ENTWICKLUNGSBANK AG	05-Mar-20	11-Dec-26	147.00	119.72	11 HALF YEARLY INSTALLMENTS STARTING FROM 13.12.2021	SPECIFIC RECEIVABLES
10	BNP PARIBAS	03-Dec-21	03-Dec-24	187.35	206.20	BULLET	SPECIFIC RECEIVABLES
11	United States Development Financial Corporation	01-Jun-22	15-Dec-31	1,943.50	2,043.32	16 HALF YEARLY INSTALLMENTS STARTING FROM 17/06/2024	SPECIFIC RECEIVABLES
12	ASIAN DEVELOPMENT BANK	27-Dec-22	27-Dec-27	828.60	814.67	9 HALF YEARLY INSTLLMENTS STARTING AFTER A MORAT	SPECIFIC RECEIVABLES

						ORIUM OF 12 MONTH S	
	Total			**6,997.88**	**7140.46**		

Details of Cash Credit facilities availed from bank:

(Rs. In Crores)

Sr. No.	Lender's Name / Name of the Bank	Sanctioned Amt.	Amt. O/s. as per IND AS as on December 31, 2022	Repayment Schedule
1	BANK OF INDIA	280.00	254.67	Repayable on Demand
2	CENTRAL BANK OF INDIA	50.00	40.91	Repayable on Demand
3	INDIAN OVERSEAS BANK	100.00	1.10	Repayable on Demand
4	PUNJAB NATIONAL BANK	200.00	150.00	Repayable on Demand
5	STATE BANK OF INDIA	220.00	202.52	Repayable on Demand
6	CANARA BANK	80.00	1.05	Repayable on Demand
7	UNION BANK OF INDIA	50.00	0.35	Repayable on Demand
8	HDFC BANK	32.00	107.65	Repayable on Demand
9	UNION BANK OF INDIA	12.00	0.09	Repayable on Demand
10	BANK OF MAHARASHTRA	16.00	22.76	Repayable on Demand
11	PUNJAB NATIONAL BANK	41.90	0.08	Repayable on Demand
12	AXIS BANK	100.00	1.75	Repayable on Demand
13	BANK OF BARODA	60.00	0.15	Repayable on Demand
14	FEDERAL BANK	10.00	0.03	Repayable on Demand
	Total		**783.12**	

Details of Outstanding Non-Convertible Securities:

Details of Secured NCDs on Private Placement Basis:**

(Rs. In Crores)

Series Name	Tenure / Period of Maturity (days)	Coupon	Issue Size	Amt. O/s. as per IND AS as on December 31, 2022	Allotment Date	Redemption Date	Rating	Security
SEFC 110 CRS	3653	9.90%	110.00	119.12	27-Feb-2015	27-Feb-2025	CARE AA+/Stable	Secured
SEREIS M 14 25 CRS	3653	9.90%	25.00	26.76	16-Apr-2015	16-Apr-2025	CARE AA+/Stable	Secured
T SCR 043	3652	9.60%	50.00	52.32	05-Jul-2013	05-Jul-2023	CRISIL AA+/Stable	Secured

Series Name	Tenure / Period of Maturity (days)	Coupon	Issue Size	Amt. O/s. as per IND AS as on December 31, 2022	Allotment Date	Redemption Date	Rating	Security
T SCACR 044	3652	9.60%	9.60	10.02	15-Jul-2013	15-Jul-2023	CRISIL AA+/Stable, CARE AA+; Stable	Secured
AUG S001	3652	10.50%	15.00	15.59	14-Aug-2013	14-Aug-2023	CARE AA+/Stable	Secured
P SCACR001	3652	10.50%	29.70	30.87	14-Aug-2013	14-Aug-2023	CRISIL AA+/Stable, CARE AA+; Stable	Secured
AUG S002 OPTION II	3652	10.75%	36.00	36.14	13-Dec-2013	13-Dec-2023	CARE AA+/Stable	Secured
AUG D 001	3652	10.50%	18.50	19.16	27-Aug-2013	27-Aug-2023	CRISIL AA+/Stable, CARE AA+; Stable	Secured
AUG D 003	3652	10.75%	10.00	10.28	30-Sep-2013	30-Sep-2023	CRISIL AA+/Stable, CARE AA+; Stable	Secured
AUG D 004	3652	10.75%	15.00	15.41	30-Sep-2013	30-Sep-2023	CARE AA+/Stable	Secured
AUG D 005	3652	10.75%	10.00	10.23	09-Oct-2013	09-Oct-2023	CARE AA+/Stable	Secured
AUG S003	3652	10.75%	10.00	9.99	30-Dec-2013	30-Dec-2023	CARE AA+/Stable	Secured
P SCA 012	3653	10.60%	20.00	21.58	28-Mar-2014	28-Mar-2024	CARE AA+/Stable	Secured
AUG D 006	3653	10.60%	1.20	1.29	28-Mar-2014	28-Mar-2024	CRISIL AA+/Stable, CARE AA+; Stable	Secured
PPD 14-15 A6	3653	10.25%	300.00	307.60	18-Sep-2014	18-Sep-2024	IND AA+/Stable, CARE AA+; Stable	Secured
PPD 14-15 A10	3653	10.00%	22.00	22.57	19-Sep-2014	19-Sep-2024	IND AA+/Stable	Secured

Series Name	Tenure / Period of Maturity (days)	Coupon	Issue Size	Amt. O/s. as per IND AS as on December 31, 2022	Allotment Date	Redemption Date	Rating	Security
PPD 14-15 B1	3653	10.25%	468.00	478.01	10-Oct-2014	10-Oct-2024	IND AA+/Stable, CARE AA+; Stable	Secured
PPD 14-15 B3	3653	10.10%	25.00	25.43	31-Oct-2014	31-Oct-2024	IND AA+/Stable	Secured
PPD 14-15 B6	3653	10.00%	332.50	336.72	13-Nov-2014	13-Nov-2024	IND AA+/Stable, CARE AA+; Stable	Secured
PPD 14-15 C2	3653	9.90%	100.00	100.68	28-Nov-2014	28-Nov-2024	IND AA+/Stable, CARE AA+; Stable	Secured
PPD 14-15 C4	3653	9.80%	42.50	42.89	28-Nov-2014	28-Nov-2024	CARE AA+/Stable	Secured
PPD 14-15 C 31 OPT 2	3652	9.30%	100.00	107.13	18-Mar-2016	18-Mar-2026	CRISIL AA+/Stable, IND AA+/Stable	Secured
PPD 14-15 C 34 OPTION 2	3650	9.30%	140.00	149.80	29-Mar-2016	27-Mar-2026	CRISIL AA+/Stable, IND AA+/Stable	Secured
PPD 15-16 C35 2	3652	9.22%	179.00	190.53	13-Apr-2016	13-Apr-2026	CRISIL AA+/Stable, IND AA+/Stable	Secured
PPD 15-16 C36	3652	9.20%	26.00	27.64	22-Apr-2016	22-Apr-2026	CRISIL AA+/Stable, IND AA+/Stable	Secured
PPD15-16 C38	2556	9.05%	50.00	52.74	25-May-2016	25-May-2023	CRISIL AA+/Stable, IND AA+/Stable	Secured
PPD15-16 C40	2556	9.05%	12.50	13.14	09-Jun-2016	09-Jun-2023	CRISIL AA+/Stable, IND	Secured

Series Name	Tenure / Period of Maturity (days)	Coupon	Issue Size	Amt. O/s. as per IND AS as on December 31, 2022	Allotment Date	Redemption Date	Rating	Security
							AA+/Stable	
PPD 16-17 D-04	2556	9.05%	75.00	78.06	19-Jul-2016	19-Jul-2023	CRISIL AA+/Stable, IND AA+/Stable	Secured
PPD 16-17 D13	3652	8.87%	110.00	113.63	08-Aug-2016	08-Aug-2026	CRISIL AA+/Stable, IND AA+/Stable	Secured
PPD-17-18-F-05	1826	8.00%	-	-	30-Nov-2017	30-Nov-2022	CRISIL AA+/Stable, IND AA+/Stable	Secured
PPD 17-18-F-15-03	2618	8.72%	10.00	10.66	26-Mar-2018	26-May-2025	IND AA+/Stable	Secured
PPD 17-18-F-14-03	1826	8.72%	230.00	245.65	22-Mar-2018	22-Mar-2023	CRISIL AA+/Stable, IND AA+/Stable	Secured
PPD 17-18-F-16-03	1826	8.72%	825.00	879.96	27-Mar-2018	27-Mar-2023	CRISIL AA+/Stable, IND AA+/Stable	Secured
PPD-17-18-F-14-03-01	1826	8.72%	11.50	12.28	22-Mar-2018	22-Mar-2023	CRISIL AA+/Stable, IND AA+/Stable	Secured
PPD-17-18-F-15-01	2618	8.72%	25.00	26.66	26-Mar-2018	26-May-2025	IND AA+/Stable	Secured
PPD-19-20--J-02-02	1096	10.00%	200.00	217.63	13-Feb-2020	13-Feb-2023	CRISIL AA+/Stable	Secured
PPD-19-20-J-03	1097	9.50%	300.00	324.10	26-Feb-2020	27-Feb-2023	CRISIL AA+/Stable	Secured
NCD-2020-21 PJ 05	1095	9.00%	250.00	263.57	22-May-2020	22-May-2023	CRISIL AA+/Stable	Secured
PPD-2020-21-05	3652	9.00%	50.00	48.18	29-Oct-2020	29-Oct-2030	CRISIL AA+/Stable, IND AA+/St	Secured

Series Name	Tenure / Period of Maturity (days)	Coupon	Issue Size	Amt. O/s. as per IND AS as on December 31, 2022	Allotment Date	Redemption Date	Rating	Security
							able	
PPD-2020-21-06	758	8.10%	-	-	11-Nov-2020	09-Dec-2022	IND PP-MLD AAA(CE) emr'/ Stable	Secured
PPD-20-21-05	730	9.00%	-	-	24-Nov-2020	24-Nov-2022	CRISIL PP-MLD AA+r/Stable	Secured
PPD-2020-21-06-02	730	9.00%	-	-	24-Nov-2020	24-Nov-2022	CRISIL PP-MLD AA+r/Stable	Secured
PPD-20-21-07	730	9.00%	-	-	02-Dec-2020	02-Dec-2022	CRISIL PP-MLD AA+r/Stable	Secured
PPD-2020-21-07	730	9.00%	-	-	02-Dec-2020	02-Dec-2022	CRISIL PP-MLD AA+r/Stable	Secured
PPD-20-20-08	3652	9.00%	25.00	24.16	29-Oct-2020	29-Oct-2030	CRISIL AA+/Stable, IND AA+/Stable	Secured
PPD-20-21-04	730	9.00%	-	-	02-Dec-2020	02-Dec-2022	CRISIL PP-MLD AA+r/Stable	Secured
PPD-20-21-06	730	8.00%	-	-	30-Dec-2020	30-Dec-2022	CRISIL AA+/Stable	Secured
PPD-21-22	911	7.85%	58.33	58.28	05-Jan-2021	05-Jul-2023	CRISIL AA+/ Stable & IND AA+/ Stable	Secured
PPD-21-22-50 CRORES	730	8.75%	-	-	02-Dec-2020	02-Dec-2022	CRISIL PP-MLD AA+r/Stable	Secured
PPD-21-22-41 CRS	730	8.35%	-	-	02-Dec-2020	02-Dec-2022	CRISIL PP-MLD AA+r/St	Secured

Series Name	Tenure / Period of Maturity (days)	Coupon	Issue Size	Amt. O/s. as per IND AS as on December 31, 2022	Allotment Date	Redemption Date	Rating	Security
							able	
PPD-21-22-50 CR	730	8.35%	-	-	02-Dec-2020	02-Dec-2022	CRISIL PP-MLD AA+r/Stable	Secured
PPD-21-22-177.70 CRS	730	8.35%	-	-	02-Dec-2020	02-Dec-2022	CRISIL PP-MLD AA+r/Stable	Secured
PPD-21-22-26 CRS	730	8.35%	-	-	02-Dec-2020	02-Dec-2022	CRISIL PP-MLD AA+r/Stable	Secured
PPD-21-22-50 CRS	793	8.00%	50.00	57.68	23-Feb-2021	27-Apr-2023	CRISIL PP-MLD AA+r/Stable	Secured
PPD-21-22-100 CRS	793	8.37%	100.00	115.39	23-Feb-2021	27-Apr-2023	CRISIL PP-MLD AA+r/Stable	Secured
PPD MAR 2021	3650	8.00%	3,200.00	3,394.28	30-Mar-2021	28-Mar-2031	CRISIL AA+	Secured
PPD-2021-22-01	728	7.25%	990.00	1,005.07	30-Apr-2021	28-Apr-2023	IND AA+/ Stable & CRISIL AA+/ Stable	Secured
PPD-21-22-50 CRS-2	914	8.37%	50.00	56.60	18-May-2021	18-Nov-2023	CRISIL PP-MLD AA+r/Stable	Secured
PPD-21-22-349.80 CRORES	914	8.37%	349.80	396.00	18-May-2021	18-Nov-2023	CRISIL PP-MLD AA+r/Stable	Secured
PPD-21-22-100 C	914	8.37%	100.00	113.21	18-May-2021	18-Nov-2023	CRISIL PP-MLD AA+r/Stable	Secured
PPD-2-21-22-50 CRS	914	8.37%	50.00	56.60	18-May-2021	18-Nov-2023	CRISIL PP-MLD AA+r/Stable	Secured
PPD-20-21-75 CRS	914	8.37%	75.00	85.03	18-May-2021	18-Nov-2023	CRISIL PP-	Secured

Series Name	Tenure / Period of Maturity (days)	Coupon	Issue Size	Amt. O/s. as per IND AS as on December 31, 2022	Allotment Date	Redemption Date	Rating	Security
							MLD AA+r/Stable	
PPD-21-22-225 CRS	729	7.95%	225.00	234.61	17-Jun-2021	16-Jun-2023	IND AA+ /Stable	Secured
PPD-21-22-1600 CRS	729	6.85%	1,585.00	1,652.74	17-Jun-2021	16-Jun-2023	IND AA+ /Stable	Secured
PPD-2021-22	914	8.37%	130.00	147.20	18-May-2021	18-Nov-2023	CRISIL PP-MLD AA+r/Stable	Secured
PPD-2021-22-05	729	7.95%	100.00	104.31	17-Jun-2021	16-Jun-2023	IND AA+ /Stable	Secured
PPD-21-22-100 CR	914	8.37%	100.00	113.23	18-May-2021	18-Nov-2023	CRISIL PP-MLD AA+r/Stable	Secured
PPD-2021-22-02	729	7.95%	95.00	99.00	17-Jun-2021	16-Jun-2023	IND AA+ /Stable	Secured
PPD-21-22-150 CR	1096	8.24%	150.00	165.43	30-Sep-2021	30-Sep-2024	CRISIL PP-MLD AA+r/Stable	Secured
PPD-2021-22-81 CRS	914	8.37%	81.00	91.67	18-May-2021	18-Nov-2023	CRISIL PP-MLD AA+r/Stable	Secured
PPD-2021-22-101 CRS	914	8.37%	101.00	114.30	18-May-2021	18-Nov-2023	CRISIL PP-MLD AA+r/Stable	Secured
PPD-21-22-2100 CRS	3652	8.37%	2,100.00	2,124.08	12-Nov-2021	12-Nov-2031	IND AA+ & CRISIL AA+	Secured
PPD-21-22-65.50 CRS	914	8.37%	65.50	74.41	18-May-2021	18-Nov-2023	CRISIL PP-MLD AA+r/Stable	Secured
PPD-2021-22-250 CRS	639	7.07%	250.00	250.57	13-Dec-2021	13-Sep-2023	IND AA+ /Stable	Secured
PPD-21-22-25 CRS	3650	8.00%	25.00	24.26	28-Dec-2021	26-Dec-2031	IND AA+/ Stable & CRISIL AA+/ Stable	Secured

Series Name	Tenure / Period of Maturity (days)	Coupon	Issue Size	Amt. O/s. as per IND AS as on December 31, 2022	Allotment Date	Redemption Date	Rating	Security
STFCL 01 PPD FEB 2021-22	728	6.80%	525.00	552.97	04-Feb-2022	02-Feb-2024	IND AA+/ Stable' by India Ratings	Secured
STFC PP2021-22K-06 OPTION-I	1124	7.40%	150.00	159.43	21-Feb-2022	21-Mar-2025	IND AA+/ Stable & CRISIL AA+/ Stable	Secured
STFC PP2021-22K-06 OPTION-2	730	7.00%	200.00	211.98	21-Feb-2022	21-Feb-2024	IND AA+/ Stable & CRISIL AA+/ Stable	Secured
STFCL 02 PPD FEB 2021-22	3652	8.56%	900.00	965.43	25-Feb-2022	25-Feb-2032	IND AA+/ Stable & CRISIL AA+/ Stable	Secured
STFCL 03 PPD MAR 2021-22	729	6.25%	250.00	262.71	17-Mar-2022	15-Mar-2024	CARE AA+/Stable	Secured
SERIES STFCL PP 2021-22 K-07	1127	7.45%	50.00	52.89	23-Mar-2022	23-Apr-2025	IND AA+	Secured
STFC MAY 2021-22 PPML Y 03 ISSUEANCE 10	914	8.37%	77.70	87.93	18-May-2021	18-Nov-2023	CRISIL PP-MLD AA+r/Stable	Secured
SERIES STFCL PP 2021-22 K-07(REISSUE 1)	1127	7.45%	200.00	211.06	23-Mar-2022	23-Apr-2025	IND AA+/ Stable & CRISIL AA+/ Stable	Secured
SERIES PPD 17-18 F-15 OPTION III (REISSUE 2)	2618	8.72%	25.00	26.60	26-Mar-2018	26-May-2025	IND AA+/ Stable & CRISIL AA+/ Stable	Secured
STFCL MAY 2121-22 PPML Y-03 FURTHER iSSUANCE 11	914	8.37%	220.00	249.50	18-May-2021	18-Nov-2023	CRISIL PP-MLD AA+r/Stable	Secured
SERIES STFCL PPD-II APR 2022-2023	2557	8.25%	100.00	104.56	25-Apr-2022	25-Apr-2029	IND AA+ /Stable	Secured
SERIES STFCL PPD-I	731	6.80%	700.00	716.11	18-Apr-2022	18-Apr-2024	IND AA+	Secured

Series Name	Tenure / Period of Maturity (days)	Coupon	Issue Size	Amt. O/s. as per IND AS as on December 31, 2022	Allotment Date	Redemption Date	Rating	Security
APR 2022-23							/Stable	
STFCL JUL 2022-23 PE	731	7.93%	20.00	20.64	11-Jul-2022	11-Jul-2024	CRISIL PP-MLD AA+r/ Stable by CRISIL Ratings	Secured
STFCL JUL 2022-23 PPML Y-05 REISSUE 1	731	7.93%	104.80	108.18	11-Jul-2022	11-Jul-2024	CRISIL PP-MLD AA+r/ Stable by CRISIL Ratings	Secured
STFCL JUL 2022-23 PPML Y-05 (FURTHER ISSUE 02)	731	7.93%	125.00	129.03	11-Jul-2022	11-Jul-2024	CRISIL PP-MLD AA+r/ Stable by CRISIL Ratings	Secured
STFCL JUL 2022-23 PPML Y 05 FURTHER ISSUANCE 3	731	7.93%	98.20	101.56	11-Jul-2022	11-Jul-2024	CRISIL PP-MLD AA+r/ Stable by CRISIL Ratings	Secured
SERIES STFCL 01 PPD AUG 2022-23	3653	8.72%	3,300.00	3,408.01	17-Aug-2022	17-Aug-2032	CRISIL AA+/Stable by CRISIL and IND AA+/ by India Rating	Secured
STFCL SEP 2022-23 PPML Y-06	760	8.12%	64.70	66.44	02-Sep-2022	01-Oct-2024	CRISIL PP-MLD AA+r/ Stable by CRISIL Ratings	Secured
STFCL AUG 2022-23 PPML Y-06 REISSUE 1	760	8.12%	75.60	77.47	02-Sep-2022	01-Oct-2024	CRISIL PP-MLD AA+r/ Stable by CRISIL Ratings	Secured

Series Name	Tenure / Period of Maturity (days)	Coupon	Issue Size	Amt. O/s. as per IND AS as on December 31, 2022	Allotment Date	Redemption Date	Rating	Security
SERIES STFCL PPD-III SEPT 2022-23 (OPTION -2)	3653	8.55%	200.00	205.39	08-Sep-2022	08-Sep-2032	IND AA+/ Stable & CRISIL AA+/ Stable	Secured
SERIES STFCL PPD-III SEPT 2022-23 (OPTION -1)	729	7.60%	201.00	203.36	08-Sep-2022	06-Sep-2024	IND AA+ /Stable	Secured
SERIES STFCL PPD-IV 2022-23	3653	8.50%	27.00	27.08	18-Oct-2022	18-Oct-2032	IND AA+/Stable & CRISIL AA+/ Stable	Secured
STFCL NOV 2022-23 PPML Y-07	1096	8.77%	30.00	30.05	18-Nov-2022	18-Nov-2025	CRISIL PP-MLD AA+r/ Stable	Secured
STFCL NOV 2022-23 PPML Y-08	1188	8.86%	50.00	50.03	23-Nov-2022	23-Feb-2026	CRISIL PP-MLD AA+r/ Stable	Secured
STFCL PPD-IV 2022-23 (FURTHER ISSUANCE – 1)	3653	8.50%	110.00	111.88	18-Oct-2022	18-Oct-2032	IND AA+/Stable & CRISIL AA+/ Stable	Secured
STFCL SEP 2022-23 PPML Y-06 (FURTHER ISSUANCE – 2)	760	8.12%	19.50	19.92	02-Sep-2022	01-Oct-2024	CRISIL PP-MLD AA+r/ Stable	Secured
XIII	1551	9.25%	500.00	505.18	28-Feb-2020	28-May-2024	IND AA+/Stable	Secured
XII	1096	9.25%	240.00	242.28	28-Feb-2020	28-Feb-2023	IND AA+/Stable	Secured
XIV	1095	9.25%	25.00	25.20	05-Mar-2020	05-Mar-2023	CRISIL AA+	Secured
XIX	730	8.60%	150.00	175.81	27-Jan-2021	27-Jan-2023	IND PP-MLD AA+emr/Stable	Secured
XX	3651	9.50%	30.00	33.78	08-Feb-2021	07-Feb-2031	IND AA+/Stable and ICRA	Secured

Series Name	Tenure / Period of Maturity (days)	Coupon	Issue Size	Amt. O/s. as per IND AS as on December 31, 2022	Allotment Date	Redemption Date	Rating	Security
							AA+ (Stable)	
XX	3287	9.25%	10.00	11.07	08-Feb-2021	08-Feb-2030	IND AA+/Stable and ICRA AA+ (Stable)	Secured
XXI	3287	9.25%	50.00	55.35	22-Feb-2021	22-Feb-2030	IND AA+/Stable and ICRA AA+ (Stable)	Secured
XXI	3651	9.50%	75.00	84.74	22-Feb-2021	21-Feb-2031	IND AA+/Stable and ICRA AA+ (Stable)	Secured
XXII	730	8.60%	491.00	571.17	01-Mar-2021	01-Mar-2023	IND PP-MLD AA+emr/Stable	Secured
XXIII	791	8.40%	300.00	346.20	17-Mar-2021	17-May-2023	IND PP-MLD AA+emr/Stable	Secured
XXIII	730	8.40%	200.00	230.25	30-Mar-2021	30-Mar-2023	IND PP-MLD AA+emr/Stable	Secured
XXIV	3652	9.00%	100.00	105.98	23-Jun-2021	23-Jun-2031	CRISIL AA+/Stable and ICRA AA+ (Stable)	Secured
XXV	3652	8.75%	100.00	103.64	23-Jul-2021	23-Jul-2031	CRISIL AA+/Stable and ICRA AA+ (Stable)	Secured
XXV	1096	8.25%	50.00	51.39	23-Jul-2021	23-Jul-2024	CRISIL AA+/Stable and ICRA AA+ (Stable)	Secured
XXVI	1096	7.95%	260.00	255.87	12-Aug-2021	12-Aug-2024	IND AA+/Stable	Secured

Series Name	Tenure / Period of Maturity (days)	Coupon	Issue Size	Amt. O/s. as per IND AS as on December 31, 2022	Allotment Date	Redemption Date	Rating	Security
XXVII	912	8.22%	200.00	221.04	01-Sep-2021	01-Mar-2024	IND PP-MLD AA+emr/Stable	Secured
XXVIII	1096	9.90%	300.00	304.45	21-Sep-2021	21-Sep-2024	CRISIL AA+/Stable and IND AA+/Stable	Secured
XXVIII	3652	8.65%	189.00	192.04	21-Sep-2021	21-Sep-2031	CRISIL AA+/Stable and IND AA+/Stable	Secured
XXIX	912	8.20%	300.00	324.91	23-Nov-2021	23-May-2024	IND PP-MLD AA+emr/Stable	Secured
XXX	3651	9.05%	600.00	610.27	21-Dec-2021	20-Dec-2031	CRISIL AA+/Stable and IND AA+/Stable	Secured
XXXI	454	7.50%	440.00	466.23	22-Feb-2022	22-May-2023	CRISIL AA+/Stable and IND AA+/Stable	Secured
XXXI	3652	9.00%	180.00	196.29	22-Feb-2022	22-Feb-2032	CRISIL AA+/Stable and IND AA+/Stable	Secured
XXXII	915	8.20%	579.90	600.82	18-May-2022	18-Nov-2024	IND PP-MLD AA+emr/Stable	Secured
XXXIII	3653	8.85%	200.00	203.00	31-May-2022	31-May-2032	CRISIL AA+/Stable and IND AA+/Stable	Secured
XXXIV	792	8.10%	400.00	405.89	15-Sep-2022	15-Nov-2024	IND PP-MLD AA+emr/Stable	Secured

Series Name	Tenure / Period of Maturity (days)	Coupon	Issue Size	Amt. O/s. as per IND AS as on December 31, 2022	Allotment Date	Redemption Date	Rating	Security
XXXIII	1096	8.30%	150.00	150.98	07-Oct-2022	07-Oct-2025	CRISIL AA+/Stable	Secured
Total			28358.03	29768.96				

Note** The Company's secured non-convertible debentures are secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property as per the terms of issue.

Details of Unsecured NCDs:

(Rs. In Crores)

Series Name	**Tenure / Period of Maturity (days)**	**Coupon**	**Issue Size**	Amt. O/s. as per IND AS as on December 31, 2022	**Allotment Date**	**Redemption Date**	**Rating**
PPH-18-19-01	1977	9.90%	89.4	93.65	22-Jan-2019	21-Jun-2024	CRISIL AA+/Stable, IND AA+/Stable
Total			**89.4**	**93.65**			

Details of Subordinated Debt:

Series Name	**Tenure / Period of Maturity (days)**	**Coupon**	**Issue Size**	**Amt. O/s. as per IND AS as on December 31, 2022**	**Allotment Date**	**Redemption Date**	**Rating**
INE468M08078	3651	10.20%	25.00	26.31	25-Jun-2013	24-Jun-2023	CRISIL AA+/Stable, CARE AA+; Stable
INE468M08086	3651	10.15%	20.00	21.02	28-Jun-2013	27-Jun-2023	CARE AA+; Stable
INE468M08102	3652	10.60%	10.00	10.41	12-Aug-2014	11-Aug-2024	CRISIL AA+/Stable
INE721A08BO7	3652	10.65%	25.00	27.45	30-Jan-2013	30-Jan-2023	CARE AA+; Stable
INE721A08AH3	5479	11.00%	29.20	30.00	30-Aug-2010	30-Aug-2025	CRISIL AA+/Stable, CARE AA+; Stable
INE721A08AK7	6575	11.05%	25.00	26.09	15-Oct-2010	15-Oct-2028	CRISIL AA+/Stable, CARE AA+; Stable
INE721A08BN9	3652	10.65%	2.70	2.96	30-Jan-2013	30-Jan-2023	CRISIL AA+/Stable, CARE AA+; Stable

INE721A08BS8	3652	10.65%	33.00	35.89	07-Mar-2013	07-Mar-2023	CRISIL AA+/Stable, CARE AA+; Stable
INE721A08BT6	3652	10.65%	2.50	2.72	08-Mar-2013	08-Mar-2023	CRISIL AA+/Stable
INE721A08BV2	3652	10.65%	1.50	1.63	13-Mar-2013	13-Mar-2023	CRISIL AA+/Stable
INE721A08BU4	3652	10.65%	12.00	13.05	07-Mar-2013	07-Mar-2023	CARE AA+; Stable
INE721A08AI1	5479	11.00%	25.00	25.60	09-Sep-2010	09-Sep-2025	CRISIL AA+/Stable, CARE AA+; Stable
INE721A08CJ5	3650	10.25%	20.00	21.26	21-May-2013	19-May-2023	CRISIL AA+/Stable
INE721A08CK3	5479	10.00%	15.00	15.81	29-May-2013	29-May-2028	CRISIL AA+/Stable, CARE AA+; Stable
INE721A08CQ0	3652	11.00%	25.00	25.62	04-Oct-2013	04-Oct-2023	CARE AA+; Stable
INE721A08CO5	3652	10.25%	25.00	26.26	05-Jul-2013	05-Jul-2023	CRISIL AA+/Stable
INE721A08CM9	3652	10.15%	50.00	52.62	24-Jun-2013	24-Jun-2023	CRISIL AA+/Stable, CARE AA+; Stable
INE721A08CN7	3652	10.10%	25.00	26.27	28-Jun-2013	28-Jun-2023	CARE AA+; Stable
INE721A08CC0	3652	10.65%	0.70	0.76	28-Mar-2013	28-Mar-2023	CRISIL AA+/Stable, CARE AA+; Stable
INE721A08BZ3	3652	10.65%	35.00	37.84	28-Mar-2013	28-Mar-2023	CRISIL AA+/Stable, CARE AA+; Stable
INE721A08CF3	3652	10.65%	20.00	21.41	02-May-2013	02-May-2023	CARE AA+; Stable

INE721A08CE6	3652	10.65%	23.50	25.16	02-May-2013	02-May-2023	CRISIL AA+/Stable, CARE AA+; Stable
INE721A08CI7	3652	10.25%	10.00	10.63	20-May-2013	20-May-2023	CRISIL AA+/Stable, CARE AA+; Stable
INE721A08CU2	2922	10.10%	67.00	68.72	30-Sep-2015	30-Sep-2023	CRISIL AA+/Stable, CARE AA+; Stable
INE721A08CV0	2737	8.50%	40.00	40.23	01-Dec-2016	30-May-2024	CRISIL AA+/Stable, IND AA+/Stable
INE721A08CW8	3652	8.50%	60.00	60.19	01-Dec-2016	01-Dec-2026	CRISIL AA+/Stable, IND AA+/Stable
INE721A08CX6	3652	8.50%	75.00	74.72	29-Dec-2016	29-Dec-2026	CRISIL AA+/Stable, IND AA+/Stable
INE721A08CY4	3650	8.20%	100.00	100.85	17-Oct-2017	15-Oct-2027	CRISIL AA+/Stable, IND AA+/Stable
INE721A08CY4	3650	8.20%	100.00	100.71	17-Oct-2017	15-Oct-2027	CRISIL AA+/Stable, IND AA+/Stable
INE721A08CY4	3650	8.20%	35.00	35.60	17-Oct-2017	15-Oct-2027	CRISIL AA+/Stable, IND AA+/Stable
INE721A08CY4	3650	8.20%	10.00	10.17	17-Oct-2017	15-Oct-2027	CRISIL AA+/Stable, IND AA+/Stable
INE721A08CY4	3650	8.20%	15.00	15.22	17-Oct-2017	15-Oct-2027	CRISIL AA+/Stable, IND AA+/Stable
INE721A08CY4	3650	8.20%	14.00	14.20	17-Oct-2017	15-Oct-2027	CRISIL AA+/Stable, IND AA+/Stable
INE721A08CY4	3650	8.20%	5.00	5.07	17-Oct-2017	15-Oct-2027	CRISIL AA+/Stable, IND AA+/Stable
INE721A08CY4	3650	8.20%	10.00	10.17	17-Oct-2017	15-Oct-2027	CRISIL AA+/Stable, IND AA+/Stable

INE721A08CY4	3650	8.20%	5.00	5.07	17-Oct-2017	15-Oct-2027	CRISIL AA+/Stable, IND AA+/Stable
INE721A08CZ1	3653	9.00%	100.00	106.66	23-Mar-2018	23-Mar-2028	CRISIL AA+/Stable, IND AA+/Stable
INE721A08DB0	2588	8.95%	40.00	42.60	28-Mar-2018	28-Apr-2025	CRISIL AA+/Stable, IND AA+/Stable
INE721A08DA2	3653	9.00%	995.00	1,060.31	28-Mar-2018	28-Mar-2028	CRISIL AA+/Stable, IND AA+/Stable
INE721A08DC8	1976	10.25%	650.00	627.06	28-Nov-2018	26-Apr-2024	CRISIL AA+/Stable, IND AA+/Stable
INE721A08DD6	3653	10.51%	10.00	9.98	12-Dec-2018	12-Dec-2028	CRISIL AA+/Stable, IND AA+/Stable
INE721A08DC8	1976	10.25%	650.00	627.34	28-Nov-2018	26-Apr-2024	CRISIL AA+/Stable, IND AA+/Stable
INE721A08DC8	1976	10.25%	475.00	458.22	28-Nov-2018	26-Apr-2024	CRISIL AA+/Stable, IND AA+/Stable
INE721A08DD6	3653	10.51%	25.00	25.14	12-Dec-2018	12-Dec-2028	CRISIL AA+/Stable, IND AA+/Stable
INE721A08DE4	2188	10.25%	550.00	535.97	31-Dec-2018	27-Dec-2024	CRISIL AA+/Stable, IND AA+/Stable
INE721A08DG9	3653	8.75%	115.00	114.04	25-Oct-2022	25-Oct-2032	CRISIL AA+/Stable, IND AA+/Stable
			4,606.10	**4,635.02**			

Details of Public issue NCDs:

Series Name	Tenure (Months)	Coupon	Issue Size	Amt. O/s. as per IND AS as on December 31, 2022	Allotment Date	Redemption Date	Rating	Security **

Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2018) Option -1	60 months	8.93%	150.38	150.89	12-Jul-18	12-Jul-23	CRISIL AA+/Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2018) Option -2	120 months	9.03%	49.93	49.73	12-Jul-18	12-Jul-28	CRISIL AA+/Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2018) Option -4	60 months	9.30%	540.21	563.34	12-Jul-18	12-Jul-23	CRISIL AA+/Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2018) Option -5	120 months	9.40%	424.89	439.09	12-Jul-18	12-Jul-28	CRISIL AA+/Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2018) Option -7	60 months	9.31%	90.26	135.06	12-Jul-18	12-Jul-23	CRISIL AA+/Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2018) TRANCH 2 - Option -1	60 months	9.12%	94.63	94.27	02-Nov-18	02-Nov-23	CRISIL AA+/Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2018) TRANCH 2 - Option -2	120 months	9.30%	32.34	31.91	02-Nov-18	02-Nov-28	CRISIL AA+/Stable, IND AA+/Stable	Secured

Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2018) TRANCH 2 - Option -4	60 months	9.50%	114.32	115.69	02-Nov-18	02-Nov-23	CRISIL AA+/Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2018) TRANCH 2 - Option -5	120 months	9.70%	38.98	39.10	02-Nov-18	02-Nov-28	CRISIL AA+/Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2018) TRANCH 2 - Option -6	36 months	9.50%	42.13	61.55	02-Nov-18	02-Nov-23	CRISIL AA+/Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2018) TRANCH 3 - Option -1	60 months	9.12%	87.70	87.29	06-Feb-19	06-Feb-24	CRISIL AA+/Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2018) TRANCH 3 - Option -2	120 months	9.30%	26.38	26.03	06-Feb-19	06-Feb-29	CRISIL AA+/Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2018) TRANCH 3 - Option -4	60 months	9.50%	100.11	108.29	06-Feb-19	06-Feb-24	CRISIL AA+/Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2018) TRANCH 3 - Option -5	120 months	9.70%	34.15	36.71	06-Feb-19	06-Feb-29	CRISIL AA+/Stable, IND AA+/Stable	Secured

Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2018) TRANCH 3 - Option -7	60 months	9.51%	41.94	59.74	06-Feb-19	06-Feb-24	CRISIL AA+/Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 1 - Option -1	42 months	9.12%	42.23	42.17	22-Aug-19	22-Feb-23	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 1 - Option -3	84 months	9.31%	21.04	20.72	22-Aug-19	22-Aug-26	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 1 - Option -2	60 months	9.22%	34.35	34.01	22-Aug-19	22-Aug-24	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 1 - Option -5	42 months	9.50%	55.81	57.67	22-Aug-19	22-Feb-23	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 1 - Option -6	60 months	9.60%	47.20	48.41	22-Aug-19	22-Aug-24	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 1 - Option -7	84 months	9.70%	26.19	26.72	22-Aug-19	22-Aug-26	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured

Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 1 - Option -8	42 months	9.50%	28.21	38.34	22-Aug-19	22-Feb-23	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 1 - Option -9	60 months	9.60%	17.57	23.82	22-Aug-19	22-Aug-24	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 1 - Option -10	84 months	9.70%	14.23	19.24	22-Aug-19	22-Aug-26	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 2 - Option -1	36 months	8.52%	29.32	29.29	28-Jan-20	28-Jan-23	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 2 - Option -2	60 months	8.66%	16.30	16.07	28-Jan-20	28-Jan-25	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 2 - Option -3	84 months	8.75%	13.83	13.56	28-Jan-20	28-Jan-27	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 2 - Option -4	36 months	8.85%	50.51	54.65	28-Jan-20	28-Jan-23	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured

Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 2 - Option -5	60 months	9.00%	34.70	37.14	28-Jan-20	28-Jan-25	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 2 - Option -6	84 months	9.10%	13.02	13.87	28-Jan-20	28-Jan-27	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 2 - Option -7	36 months	9.11%	20.82	26.72	28-Jan-20	28-Jan-23	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured
Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2019) TRANCH 2 - Option -8	60 months	9.21%	15.16	19.34	28-Jan-20	28-Jan-25	CRISIL AA+/Stable, CARE AA+; Stable, IND AA+/Stable	Secured
VI	1827	9.75%	66.15	71.20	30-Apr-2019	30-Apr-2024	CRISIL AA+/Stable and CARE AA+/Stable	Secured
VII	1827	9.35%	35.06	35.47	30-Apr-2019	30-Apr-2024	CRISIL AA+/Stable and CARE AA+/Stable	Secured
VIII	1827	9.75%	20.94	29.83	30-Apr-2019	30-Apr-2024	CRISIL AA+/Stable and CARE AA+/Stable	Secured

VI	1827	9.85%	52.27	54.48	25-Sep-2019	25-Sep-2024	CRISIL AA+/Stable and CARE AA+/Stable	Secured
VII	1827	9.45%	11.06	11.25	25-Sep-2019	25-Sep-2024	CRISIL AA+/Stable and CARE AA+/Stable	Secured
VIII	1827	9.88%	5.64	7.81	25-Sep-2019	25-Sep-2024	CRISIL AA+/Stable and CARE AA+/Stable	Secured
Total			**22539.96**	**2,730.47**				

**Secured by hypothecation of specific assets covered under hypothecation loan agreements

Details of Commercial Papers:

Sr. No.	ISIN of Commercial Paper	Maturity Date	Amount Outstanding
NIL			

Details of Masala Bonds**:

(Rs. In crores)

Series Name	Tenure (Days)	Coupon	Issue Size	Amounts Outstanding as on December 31, 2022	Allotment Date	Redemption Date	Rating	Security**
MB-650 CRS	1918	8.10%	650.00	678.52	08-Mar-2018	08-Jun-2023	BB-/ Stable by S&P Ratings & BB/Stable by Fitch Ratings	Specific Receivables
MB-190 CRS	1918	8.10%	190.00	198.34	08-Mar-2018	08-Jun-2023	BB-/ Stable by S&P Ratings & BB/Stable by Fitch Ratings	Specific Receivables
Total			**840.00**	**876.86**				

**Secured by hypothecation of specific assets covered under hypothecation loan agreements

Details of Dollar Bonds****

(Rs. In crores)

Series Name	Tenure (Days)	Coupon	Issue Size	Amounts Outstanding as on December 31, 2022	Allotment Date (Original)	Redemption Date	Rating	Security**

HSBC ED-1	1277	5.10%	3,542.50	1,995.68	16-Jan-2020	16-Jul-2023	BB-/Stable by S&P Ratings & BB/Stable by Fitch Ratings	Specific Receivables
ED-1836.25 CRS-HSBC	1155	4.40%	1,836.25	2,150.11	13-Jan-2021	13-Mar-2024	BB-/Stable by S&P Ratings & BB/Stable by Fitch Ratings	Specific Receivables
ED-1836.25 CRS-CITI	1155	4.40%	1,836.25	2,093.23	13-Jan-2021	13-Mar-2024	BB-/Stable by S&P Ratings & BB/Stable by Fitch Ratings	Specific Receivables
DOLLAR BOND 6	1155	4.40%	1,630.35	1,882.71	13-Jan-2021	13-Mar-2024	BB-/Stable by S&P Ratings & BB/Stable by Fitch Ratings	Specific Receivables
DOLLAR BOND 7	1277	4.15%	1,479.10	1,714.13	18-Jan-2022	18-Jul-2025	BB-/Stable by S&P Ratings & BB/Stable by Fitch Ratings	Specific Receivables
DOLLAR BOND 7A	1277	4.15%	1,442.12	1,638.86	18-Jan-2022	18-Jul-2025	BB-/Stable by S&P Ratings & BB/Stable by Fitch Ratings	Specific Receivables
Total			**9,982.32**	**11,474.72**				

**Secured by hypothecation of specific assets covered under hypothecation loan agreements

Details of Inter Corporate Deposits: **(Rs. In crores)**

Sr. No.	Name of the Lender	AmountSanctioned	Amounts Outstanding as on December 31, 2022	Repayment/Maturity Date	Secured / Unsecured
1	Shriram Automall India Limited	1.00	1.00	16-Jan-23	Unsecured
2	Shriram Automall India Limited	3.00	3.00	11-Apr-23	Unsecured
3	Shriram Automall India Limited	0.08	0.08	04-May-23	Unsecured
4	Shriram Automall India Limited	2.00	2.00	15-May-23	Unsecured
5	Shriram Automall India Limited	1.00	1.00	22-May-23	Unsecured
		7.08	**7.08**		

Details of Deposits:

(Rs. In crores)

Sr. No.	Lender/ Instrument/ Investors	Amount outstanding** as on December 31, 2022 (As per IND-AS)	Maturity Date	Credit Rating	Secured/ Unsecured
1	Deposits – Public deposit	32,731.32	Redeemable over a period of 12 to 60 months	India Ratings & Research Private Limited Rating " IND AA+/Stable " and ICRA Rating " ICRA AA+(Stable)"	Unsecured
2	Deposits – Corporate	1562.24	Redeemable over a period of 12 to 60 months	India Ratings & Research Private Limited Rating " IND AA+/Stable " and ICRA Rating " ICRA AA+(Stable)"	Unsecured
3	Recurring Deposits	195.48	12 to 60 months	India Ratings & Research Private Limited Rating " IND AA+/Stable "and ICRA Rating " ICRA AA+(Stable)"	Unsecured
	Total	**34,489.04**			

Other Financial Liabilities on account of Securitisation*:

Particulars	Outstanding Amount as on December 31, 2022 (IND-AS) (in Crores)
Other financial liabilities on account of Securitisation	20,268.09
Total	20,268.09

* While secured loan assets are securitised by the Company from time to time, on account of credit enhancement being provided by the Company in connection with these transactions and the IND AS requirements, the securitised assets continue to be shown as assets of the Company and the corresponding liability created on account thereof is classified as a financial liability of the Company.

ii. List of Top 10 holders of Non-Convertible Securities as on December 31, 2022:

Investor Name	Aggregate Amount (Crores)	% of NCD Outstanding
LIFE INSURANCE CORPORATION OF INDIA	10,075.00	28.31%
ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED	1,750.00	4.92%
STANDARD CHARTERED BANK	1,225.00	3.44%
POST OFFICE LIFE INSURANCE FUND	975.00	2.74%
KOTAK MAHINDRA TRUSTEE CO. LTD.	857.00	2.41%
KOTAK MAHINDRA BANK LIMITED	695.00	1.95%
LARSEN AND TOUBRO LIMITED	565.00	1.59%
SHRIRAM GENERAL INSURANCE COMPANY LIMITED	544.90	1.53%
NPS TRUST- A/C HDFC PENSION MANAGEMENT COMPANY LTD SCHEME C - TIER I	515.50	1.45%
SBI LIFE INSURANCE CO.LTD	451.90	1.27%

iii. Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on December 31, 2022:

Name of Party (in case of facility) / Name of Instrument	Type of facility / Instrument	Amount sanctioned / issued	Principal Amount outstanding	Date of Repayment / Schedule	Credit Rating	Secured / Unsecured	Security

NIL

iv. Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option;

The Company has issued debt securities at a Discount. Details of debt securities issued at a Discount as on December 31, 2022 are as follows:

ISIN NO.	Series Name	Rating	Amount (In Crs.)	Issued value (in Crs.)
INE721A08CY4	Series SUB 17-18 -01	CRISIL AA+/Stable, IND AA+/Stable	35	34.86
INE721A08CY4	Series SUB 17-18 -01 Reissue 1	CRISIL AA+/Stable, IND AA+/Stable	10	9.86
INE721A08CY4	Series SUB 17-18 -01 Reissue 2	CRISIL AA+/Stable, IND AA+/Stable	15	14.79
INE721A08CY4	Series SUB 17-18 -01 Reissue 3	CRISIL AA+/Stable, IND AA+/Stable	12	11.57
INE721A08CY4	Series SUB 17-18 -01 Reissue 4	CRISIL AA+/Stable, IND AA+/Stable	2	1.93
INE721A08CY4	Series SUB 17-18 -01 Reissue 5	CRISIL AA+/Stable, IND AA+/Stable	5	4.96
INE721A08CY4	Series SUB 17-18 -01 Reissue 6	CRISIL AA+/Stable, IND AA+/Stable	10	9.95
INE721A08CY4	Series SUB 17-18 -01 Reissue 7	CRISIL AA+/Stable, IND AA+/Stable	5	4.98

ii. details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued:

In whole or part: NIL
At a premium or discount: NIL
In pursuance of an option or not: NIL

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

NIL

iv. ***The amount of corporate guarantee issued by the Issuer along with the name of the counterparty (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued***

NIL

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

NIL

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

NIL

G. Names of all the recognized stock exchanges where the debt securities are proposed to be listed.

The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) segment of the BSE.

H. Other details.

Debenture Redemption Reserve (DRR)

As per Rule 18 (7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014, Debenture Redemption Reserve is not required to be created for issue of privately placed debentures by Non-Banking Finance Companies registered with Reserve Bank of India under Section 45 IA of the RBI (Amendment) Act 1997.

The Company also undertakes that, if there is any further guidelines are formulated (or modified or revised) by the Central Government or any other authority in respect of creation of Debenture Redemption Reserve the Company shall abide by such guidelines.

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

NIL

Details of default and non-payment of statutory dues.

NIL

The names of the debenture trustee shall be mentioned with the statement to the effect that the debenture trustee has given his consent to the Issuer for his appointment under regulation 4 (4) and in all the subsequent periodical communications sent to the holders of the Debentures.

The Company has appointed Catalyst Trusteeship Limited, a SEBI approved Trust Management Company as the agent and trustee for and on behalf of the Debenture Holders. The address and contact details of the Debenture trustee are as under:

Catalyst Trusteeship Limited
Office No. 604, 6th floor, Windsor, C.S.T. Road,
Kalina, Santacruz (East), Mumbai – 400 098
Tel: +91 22 4922 0555
Website: www.catalysttrustee.com

Catalyst Trusteeship Limited has given its consent to the Company under the provisions of the SEBI NCS Regulations to be appointed as the Debenture Trustee to this Issue. Please refer to Annexure I of this Shelf Placement Memorandum for the debenture trustee consent letter dated January 23, 2023.

Details/Copy of Guarantee Letter or Letter of Comfort or any other Document / Letter with similar intent, if any

Not Applicable

The Issuer to provide details with respect to Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project.

NIL

Disclosures pertaining to wilful defaulter

Please refer to Section 4 of this Shelf Placement Memorandum.

Default in Payment

Please refer to the Term Sheet.

Delay in Listing

Please refer to the Term Sheet.

Delay in allotment of securities

Not applicable.

Issue details:

Please refer to the Term Sheet above and Section 6 and Section 7 of the Shelf Placement Memorandum.

Application Process:

Please refer to Section 6 of this Shelf Placement Memorandum

Disclosure prescribed under PAS -4 of Companies (Prospectus and Allotment of Securities), Rules, 2014.

Please refer to Part C of Section 3 of this Shelf Placement Memorandum.

Additional Disclosures for NBFCs

Sr. No.	Particulars of disclosure	Details	Remarks
1.	Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC	Lending Policy Classification of loans/ advances given to associates, entities/ person relating to board, senior management, promoters, others, etc. Classification of loans/ advances given, according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc. Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time. Details of loans, overdue and classified as non-performing in accordance with RBI stipulations	Lending Policy - Annexure VIII of this Shelf Placement Memorandum Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc. – Nil For further information -Annexed the related party disclosures as on FY2022 and Sept. 30, 2022. Classification of loans into several maturity profile denomination - Please refer to the Part B of this Section 3 hereto. Aggregated exposure to top 20 borrowers – 0.28 % Details of loans, overdue and classified as Non performing assets (NPA) - *Please refer to the Part B of this Section 3 hereto.*
2.	Details of borrowings made by NBFC	Portfolio Summary of borrowings made by NBFC Quantum and percentage of Secured vs. Unsecured borrowings	Portfolio Summary of borrowings made by NBFC - *Please refer to the Part B of this Section 3 hereto.* Quantum and percentage of Secured vs. Unsecured borrowings- Secured Borrowings - 1,14,102.78 Crores – 74.42% Unsecured Borrowings - 39,224.79 - Rs. Crores – 25.58% Total - Rs. 1,53,327.57 Crores - 100.00 %
3.	Details of change in shareholding	Any change in promoters holding in NBFC during last financial year	*Please refer to the Part B of this Section 3 hereto.*

		beyond the threshold prescribed by Reserve Bank of India	
4.	Disclosure of Assets under management	Segment wise break up and type of loans	*Please refer to the Part B of this Section 3 hereto.*
5.	Details of Borrowers	Geographical location wise	*Please refer to the Part B of this Section 3 hereto.*
6.	Details of Gross NPA	Segment wise	*Please refer to the Part B of this Section 3 hereto.*
7.	Details of Assets and Liabilities	Residual maturity profile wise into several buckers	*Please refer to the Part B of this Section 3 hereto.*
8.	Disclosure of latest ALM statements to stock exchange		Annexure IX of this Shelf Placement Memorandum

A statement containing particulars of the dates of and parties to all material contracts, agreements involving financial obligations of the issuer:

By the very nature of its business, the Company is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts/ agreements/ documents involving financial obligations of the Company. However, the contracts/ agreements/ documents listed below which are or may be deemed to be material (not being contracts entered into in the ordinary course of the business carried on by the Issuer) in connection with the Issue:

1. Memorandum and Articles of Association of the Company as amended from time to time.
2. Resolution of the Board of Directors passed at its meeting held on December 24, 2022 approving, inter-alia, the issue of non-convertible debentures aggregating upto Rs. 35000 Crores read with the resolution passed by Banking and Finance Committee of the Board of Directors on January 23, 2023.
3. Certified true copy of resolution passed by the shareholders of the Company on June 13, 2019 (through postal ballot), authorising the Board of Directors to borrow, for the purpose of the Company, upon such terms and conditions as the Board may think fit for amounts up to Rs. 1,50,000 Crores under Section 180(1) of the Companies Act, 2013.
4. Resolution passed by the shareholders of the Company on March 06, 2022 authorising the Board of Directors to offer, issue and allot non-convertible debentures, in one or more series/tranches, aggregating up to Rs. 35,000 Crore, on private placement basis, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine in the best interests of the Company.
5. Credit Rating Rationale dated 24 January 2023 from CRISIL Ratings, assigning the credit rating to the Issue.
6. Credit Rating Rationale dated 27 January 2023 from India Ratings, assigning the credit rating to the Issue.
7. Tripartite agreement dated March 29, 2000 between the Company, Integrated Registry Management Services PVT LTD (Registrar & Transfer Agent) and CDSL.
8. Certified true copy of the Tripartite agreement dated April 30, 1999 between the Company, Integrated Registry Management Services PVT LTD (Registrar & Transfer Agent) and NSDL.
9. Consent letter issued by Catalyst Trusteeship Limited dated October 13, 2022 to act as the Debenture Trustee to the Issue inclusion of its name in the form and context in which it appears in this Shelf Placement Memorandum.

Certified true copy of the above documents are available for inspection at the Registered / Corporate Office of the Company until the date of closure of the respective Series of the Issue.

DOCUMENTS SUBMITTED TO THE DEBENTURE TRUSTEE

The following documents have been / shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the Deemed Date of Allotment:

(a) Memorandum and Articles of Association and necessary resolution(s) for the allotment of the Debentures;
(b) Copy of last three years' audited Annual Reports;
(c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;

(d) Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (Profit & Loss statement, Balance Sheet and Cash Flow statement) and auditor qualifications, if any.

(e) An undertaking to the effect that the Issuer would, till the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in Uniform Listing Agreement issued by SEBI vide circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015, as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred Eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing Debenture Holders within 2 (two) working days of their specific request.

Additional Covenants/ Undertaking by the Company-

The Company shall undertake that:

a) Undertaking regarding RBI/ECGC Defaulters List: The Company shall confirm that none of its Directors are appearing on the RBI/ECGC defaulters list.
b) In case of default in payment of interest and/or principal redemption on the due dates, additional interest of 2% p.a. over the coupon rate will be payable by the Company for the defaulting period.
c) The Company will enter into a Debenture Trustee Agreement and a Debenture Trust Deed, inter-alia, specifying the powers, authorities and obligations of the Company and the Debenture Trustee in respect of the Debentures.
d) The Company shall forward the listing application to the relevant stock exchanges and procure permission for listing of Debentures from the same within the 3 days from the date of closure of issue(s). In case of delay in listing of the debt securities beyond 3 days from the date of closure of issue, the Company will pay penal interest of 1% p.a. over the Coupon Rate from the Deemed Date of Allotment and till the listing of the Debentures, to the investor.
e) The Company shall undertake that it shall not extend loans against the security of its own Debentures issued by way of this private placement.
f) The Company shall deploy funds raised through issue of Debentures on its own balance sheet and not to facilitate resource requests of group entities/ parent company / associates.
g) The complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily.
h) The Company shall take all steps for completion of formalities for listing and commencement of trading at the concerned stock exchange where securities are to be listed within specified time frame.
i) Necessary co-operation to the credit rating agencies shall be extended in providing true and adequate.
j) The Company shall provide all information till all the debt obligations in respect of the Debentures are outstanding.
k) There is no wilful default by the Company.

Issue/ Instrument specific regulations:

Transaction Documents

Please refer to the Summary Term Sheet set out under Section 5 of this Shelf Placement Memorandum for list of Transaction Documents.

Authority for the Placement

This private placement of Debentures is being made pursuant to the resolution of the Banking and Finance Committee passed at its meeting held on January 23, 2023 read with resolution of the board of directors of the company dated December 24, 2022 which has approved the placement of debentures aggregating to Rs. 35,000 crores. The issue of private placement of Debentures is within the overall limit in terms of special resolution passed under Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of securities) Rules, 2014, passed by the shareholders of the Company on March 06, 2022. The present issue is within the general borrowing limits under Section 180(1) (c) of the Companies Act, 2013 and pursuant to the approval of the shareholders of the Company to the Composite Scheme of Arrangement and Amalgamation at its Hon'ble National Company Law Tribunal, Chennai (NCLT) convened meeting held on July 4, 2022 read with NCLT order dated November 14, 2022 giving their consent to the borrowing by the Directors of the Company from time to time not exceeding over and above the aggregate of Rs. 1,90,000 Crores the then paid-up capital subject to any restrictions imposed by the terms of the agreement entered into from time to time for grant of loans to the Company of all monies deemed by them to be requisite or proper for the purpose of carrying on the business of the Company. The borrowings under these Debentures will be within the prescribed limits as aforesaid.

The Company can carry on its existing activities and future activities planned by it in view of the existing Approvals, and no further approvals from any Government authority are required by the Company to carry on its said activities.

Minimum Subscription
100 debentures and in multiples of 1 thereafter.

Deemed Date of Allotment
Interest on Debentures shall accrue to the Debenture Holder(s) from and including the deemed date of allotment that will be notified in the relevant Supplemental Placement Memorandum. All benefits relating to the Debentures will be available to the investors from the Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any prior notice and shall have a right to allot the Debentures in tranches / series which shall form the part of this Issue. In case if the issue closing date is changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Company at its sole and absolute discretion.

Underwriting
The present Issue of Debentures is on private placement basis and has not been underwritten.

Status of Debentures

The Debentures shall rank *pari-passu* inter se and without any preference or priority among themselves and other subordinate debentures issued by the Company.

Market Lot
The market lot shall be one Debenture of face value of Rs.1 Lakh each ("**Market Lot**"). Since the Debentures are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.

Redemption Premium/ Coupon on Debentures
The Debentures shall carry interest at the rate as per the terms of the relevant Supplemental Placement Memorandum (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company) payable to the holders of Debentures (the "Holders" and each, a "Holder") as of the relevant Record Date. The interest payable on any Interest Payment Date will be paid to the Debenture holder(s) whose names appear in the List of Beneficial Owners given by the Depository to the Company as on the Record Date.

Debentures in Dematerialized Form
The Company has finalized depository arrangements with National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) for dematerialization of the Debentures. The investor has to necessarily hold the Debentures in dematerialized form and deal with the same as per the provisions of Depositories Act, 1996 (as amended from time to time). The normal procedures followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Applicants to mention their Depository Participant's name, DP-ID and Beneficiary Account Number/Client ID in the appropriate place in the Application Form. In case the depository arrangement is finalised before the completion of all legal formalities for issue of Debenture Certificates, Debentures to successful allottee(s) having Depository Account shall be credited to their Depository Account against surrender of Letter of Allotment.

Interest or other benefits with respect to the Debentures would be paid to those Debenture holders whose names appear on the list of beneficial owners given by the Depositories to the Issuer as on a record date/book closure date. The Issuer would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and informed to the Issuer where upon the interest/benefits will be paid to the beneficiaries within a period of 30 days.

In case of incorrect details provided by the investors the Registrar will not credit the debentures to the Depository Account until the details are corrected by the investors.

Transfer of Debentures
Debentures shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL /CDSL Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for

transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Transfer of Debentures to and from NRIs/ OCBs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the company.

Future Borrowings

The Company shall be entitled to make further issue(s) of debentures, raise further loans of advances and/or avail further deferred payment guarantees or other financial facilities from time to time from such persons/banks/financial institutions or body corporate/or any other agency on such terms and conditions as the Company may think appropriate in any manner having such ranking in priority, *pari passu* or otherwise and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without having any need to obtain the consent of, or intimation to, the Debenture holders or the Debenture Trustee in this connection.

Disputes and Governing Law

The Debentures shall be construed to be governed in accordance with Indian Law. The courts of Chennai alone shall have jurisdiction in connection with any matter arising out of or under these precincts.

Over and above, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debentures to be issued to the allottees and the Debenture Trust Deed/Debenture Trustee Agreement.

Trading of Debentures

The trading of privately placed Debt securities would be permitted in the anonymous, order driven system of the Stock Exchange in a separate trading segment. The marketable lot would be one Debentures of face value of Rs. 1 Lakh . All class of investors would be permitted to trade subject to the standard denomination/marketable lot. The trades executed on spot basis shall be required to be reported to the Stock Exchange.

List of Beneficial Owners

The Company shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

Succession

In the event of demise of the sole/first holder/registered holder of the Debenture(s) or the last survivor, in case of joint holders for the time being, the Company will recognize the executor or administrator of the deceased Debenture Holder, or the holder of succession certificate or other legal representative as having title to the Debenture(s). The Company shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, letter of administration wherever it is necessary, or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Company may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the deceased Debenture holder on production of sufficient documentary proof or indemnity.

1) Where a non-resident Indian becomes entitled to the Debenture by way of succession, the following steps have to be complied:
2) Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Debenture was acquired by the NRI as part of the legacy left by the deceased holder.

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

Disclosure Clause

In the event of default in the repayment of the principal and/or interest thereon on the due dates, the investors and/or the RBI/SEBI will have an unqualified right to disclose or publish the name of the borrower and its directors as defaulter in such manner and through such medium as the investors and/or the RBI in their absolute discretion may think fit. Over and above, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debentures to be issued to the allottees and in the Debenture Trust Deed/Trustee Agreement.

Registrars

Integrated Registry Management Services Pvt Ltd. Is acting as Registrar and Transfer agents for the Company for debt instruments. Requests for registration of transfer, along with Debenture Certificates/Letters of Allotment and appropriate transfer documents should be sent to the Registrars. The transferee shall also furnish name, address and specimen signatures and wherever necessary, authority for purchase of Debentures. The Registrars after examining the adequacy and correctness of the documentation shall register the transfer in its books. However, as the Debentures are compulsory issued in demat mode, this may not be applicable.

Debenture Holder not a Shareholder

The Debenture Holders will not be entitled to any of the rights and privileges available to the shareholders. The Debenture shall not confer upon the holders the right to receive notice(s) or to attend and to vote out any general meeting(s) of the Company.

Modification of Rights

The rights, privileges, terms and conditions attached to all Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

PART B

Additional Disclosures pursuant to the Operational Circular.

(i) A portfolio summary with regard to industries/ sectors to which borrowings have been made;

Borrowing profile as on December 31, 2022:

(Rs. in Crores)

Particulars	As on December 31, 2022 (SFL)	As on September 30, 2022 ((SFL)	As on September 30, 2022 (STFC)	As on March 31, 2022 (STFC)	As on 31 March 2021 (STFC)
Senior secured notes	876.86	859.01	859.01	891.40	888.35
Secured NCD	32,499.43	33,464.25	26,414.46	21,268.68	20,929.53
External commercial bond -Secured	11,474.72	18,402.98	18,402.98	19,011.29	17,779.55
Unsecured NCD	93.65	90.80	90.8	85.18	464.44
Subordinated Debt	4,635.02	4,577.73	4,577.73	4,614.25	4,620.76
Term Loans from Banks	32,376.40	32,112.55	19,102	16,755.62	13,304.70
ICD	7.08	1.08	1.08	29.14	49.59
Loans from Institutions	8,682.36	9,474.80	5,966.11	5,685.24	3,783.20
External commercial borrowing	7,140.46	6,373.12	6,373.12	4,243.13	4,122.49
Fixed Deposit	34,489.04	32,544.01	24,817.7	21,919.84	16,182.82
Cash Credit	784.46	471.07	335.01	454.86	667.38
Securitisation	20,268.09	19,845.57	18,646.02	19,538.08	23,403.60
Total	**1,53,327.57**	**1,58,216.97**	**125,586.02**	**1,14,496.71**	**106,196.41**

Borrowing details	As on December 31, 2022 (SFL)	As on September 30, 2022 (SFL)	As on September 30, 2022 (STFC)	As on March 31, 2022 (STFC)	As on March 31, 2021 (STFC)
Category					
Borrowings in India	1,33,835.53	1,32,581.86	99,950.91	90,351	83,406.02
Borrowings outside India	19,492.04	25,635.11	25,635.11	24,146	22,790.39
Total	**1,53,327.57**	**1,58,216.97**	**125,586.02**	**1,14,496.71**	**1,06,196.41**

Note - (1) The figures for the period after the appointed date for the merger of STFC and the Merged Entities (i.e. April 01, 2022) have been restated to take the effect of merger and are therefore not comparable with figures of STFC for the corresponding previous year periods or previously reported figures of STFC for the said quarters.
(2) *SFL means Shriram Finance Limited*
(3) STFC means Shriram Transport Finance Company Limited
(4) Merged Entities means Shriram Capital Limited and Shriram City Union Finance Limited

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

Sr. No.	Particulars (Rs. in Crs)	Dec 22 (SFL)	Sep 22 (SFL)	Sep 22	Mar22	Mar-21	Mar-20
1	Gross Stage 3	11,058.60	10,583.05	9267.07	8,887.55	8,295.21	9,179.71
2	ECL Provision Stage 3	5,608.06	5,192.26	4778.75	4,441.50	3,488.53	3,188.65
3	Net Stage 3	5450.55	5,390.79	4488.32	4,446.05	4,806.68	5,991.06
4	Gross Stage 1 & 2	1,64,783.62	1,57,186.94	1,24,463.62	1,16,811.48	1,09,200.04	1,00,631.95
5	ECL Provision Stage 1 & 2	5,189.86	4,953.36	4823.34	4,592.38	4,451.13	3,143.36
6	Net Stage 1 & 2	1,59,593.75	1,52,233.59	1,19,640.28	1,12,219.10	1,04,748.91	97,488.59

Note - (1) The figures for the period after the appointed date for the merger of STFC and the Merged Entities (i.e. April 01, 2022) have been restated to take the effect of merger and are therefore not comparable with figures of STFC for the corresponding previous year periods or previously reported figures of STFC for the said quarters.

(2) *SFL means Shriram Finance Limited*

(3) STFC means Shriram Transport Finance Company Limited

(4) Merged Entities means Shriram Capital Limited and Shriram City Union Finance Limited

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

As on December 31, 2022 (SFL)

Secured Borrowings - Rs. 1,14,102.78 Crores – 74.42%

Unsecured Borrowings – Rs. 39,224.79 Crores – 25.58%

Total - Rs. 1,53,327.57 Crores - 100.00 %

As on March 31, 2022

Secured Borrowings - Rs. 87,848.30 Crores – 76.73%

Unsecured Borrowings - Rs. 26,648.41 Crores – 23.27%

Total - Rs. 1,14,496.71 Crores - 100.00 %

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

No change beyond the threshold limit.

(v) Type of Loans as on December 31, 2022: (SFL)

Sr. No.	Type of Loans	Rs. (in crore) (SFL)	Percentage
1	Secured	1,72,679.09	97.28
2	Unsecured	4,819.08	2.72
	Total assets under management (AUM)*^	1,77,498.17	100

*Information required at borrower level (and not by loan account as customer may have multiple loan accounts);
^Issuer is also required to disclose off balance sheet items;

(vi) Type of Loans as on March 31, 2022: (STFC)

Sr. No.	Type of Loans	Rs. (in crore)	Percentage
1	Secured	1,25,340.83	98.66
2	Unsecured	1700.03	1.34
	Total assets under management (AUM)*^	1,27,040.86	100.00

*Information required at borrower level (and not by loan account as customer may have multiple loan accounts);
^Issuer is also required to disclose off balance sheet items;

(vii) Denomination of loans outstanding by loan-to-value as on March 31, 2022:

Sr. No.	LTV (at the time of origination)	Percentage of AUM March 22	Percentage of AUM March 21
1	Upto 40%	1.00	0.56
2	40%-50%	1.47	1.35
3	50%-60%	17.11	14.39
4	60%-70%	38.92	36.02
5	70%-80%	31.23	31.03
6	80%-90%	8.44	13.06
7	>90%	1.82	3.59
	Total	**100.00**	**100.00**

(viii) Sectoral Exposure as on March 31, 2022:

Sr. No.	Segment-wise break-up of AUM	Percentage of AUM March 22	Percentage of AUM March 21
1	**Retail**		
A	Mortgages (home loans and loans against property)	-	-
B	Gold loans	-	-
C	Vehicle finance	91.84	95.20
D	MFI		
E	MSME	8.11	4.76
F	Capital market funding (loans against shares, margin funding)	-	-
G	Others	0.05	0.04
2	**Wholesale**	-	-
A	Infrastructure	-	-
B	Real estate (including builder loans)	-	-
C	Promoter funding	-	-
D	Any other sector (as applicable)	-	-
E	Others	-	-
	Total	**100.00**	**100.00**

(ix) Denomination of loans outstanding by ticket size as on March 31, 2022:*

Sr. No.	Ticket size (at the time of origination)	Percentage of AUM March 22	Percentage of AUM – March 21
1	Upto Rs. 2 lakh	1.44	1.66
2	Rs. 2-5 lakh	7.85	10.49
3	Rs. 5 - 10 lakh	25.45	31.53
4	Rs. 10 - 25 lakh	57.02	46.44
5	Rs. 25 - 50 lakh	6.29	6.64
6	Rs. 50 lakh - 1 crore	1.11	1.86
7	Rs. 1 - 5 crore	0.55	0.98
8	Rs. 5 - 25 crore	0.16	0.26
9	Rs. 25 - 100 crore	0.13	0.14
10	>Rs. 100 crore	-	
	Total	**100.00**	

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

(x) Geographical classification of borrowers as on March 31, 2022:

Sr. No.	Top 5 states	Percentage of AUM
1	Tamil Nadu	17.98
2	Karnataka	10.59
3	Maharashtra	7.61
4	Andhra Pradesh	7.34
5	Telangana	6.69
	Total	**50.21**

(xi) Details of loans overdue and classified as non-performing in accordance with RBI's stipulations:

I. Movement of gross NPA as on March 31, 2022

Movement of gross NPA*	Rupees (in crores) March 31, 2022	Rupees (in crores) March 31, 2021
Opening gross NPA	8,292.81	9,177.08
- Additions during the year	7,575.61	5,460.70
- Reductions during the year	(6,980.87)	(6,344.97)
Closing balance of gross NPA	8,887.55	8,292.81

**Please indicate the gross NPA recognition policy (Day's Past Due)* -90 days past due is NPA Recognition Policy

II. Movement of provisions for NPA as on December 31, 2022

Movement of provisions for NPA	Rupees (in crores) March 31, 2022	Rupees (in crores) March 31, 2021
Opening gross NPA	3,486.13	3,185.95
- Additions during the year	3,177.53	2,415.58
- Write-off/write-back of excess provisions	(2,222.16)	(2,115.40)
Closing balance	4,441.55	3,486.13

90 days past due is NPA Recognition Policy

(xii) Segment-wise gross NPA as on March 31, 2022:

Sr. No.	Segment-wise gross NPA	Gross NPA (%) March 22	Gross NPA (%) March 21
1	**Retail**		
A	Mortgages (home loans and loans against property)		
B	Gold loans		
C	Vehicle finance	78.71	84.07
D	MFI		
E	MSME	21.05	15.73
F	Capital market funding (loans against shares, margin funding)		
G	Others	0.24	0.20
2	**Wholesale**		
A	Infrastructure		
B	Real estate (including builder loans)		
C	Promoter funding		
D	Any other sector (as applicable)		
E	Others		
	Total	**100.00**	**100.00**

(xiii) Residual maturity profile of assets and liabilities (in line with the RBI format) as on March 31, 2022:

(Rs. In crores)

Category	Upto 30/31 days	>1 month – 2 months	>2 months – 3 months	>3 months – 6 months	>6 months – 1 year	>1 year – 3 years	>3 years – 5 years	>5 years	Total
Deposits *	692.73	579.91	607.03	1,901.57	3,056.24	10,673.39	4,520.04	-	**22,030.91**
Advances **	4259.59	3,436.81	3,416.21	10,358.59	19,977.17	57,703.76	15,753.24	1,759.78	1,16,665.15
Investments	1466.56	442.19	762.58	113.89	158.46	641.28	529.38	2,694.82	6,809.16
Borrowings ***	3677.50	1,785.22	4,116.35	4,725.37	11,358.56	29,829.09	5,463.83	8,366.53	69,322.45

Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	243.02	-	85.35	326.71	5,791.35	12,638.18	4,121.61	48.20	**23,254.42**

As on 31.03.2021

Category	Upto 30/31 days	>1 month – 2 months	>2 months – 3 months	>3 months – 6 months	>6 months – 1 year	>1 year – 3 years	>3 years – 5 years	>5 years	Total
Deposits *	360.54	205.06	311.49	1,357.74	3,317.24	7,689.84	3,047.65	-	16,289.56
Advances **	4,007.15	3,206.84	3,165.73	9,676.92	17,873.55	51,397.49	15,938.33	3,037.03	1,08,303.04
Investments	44.71	58.78	49.69	134.26	235.76	794.04	169.15	1,711.46	3,197.85
Borrowings ***	3,168.66	2,356.37	2,963.32	8,894.36	12,004.44	24,324.08	8,484.54	5,915.78	68,111.55
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	246.67	-	22.09	228.76	2,991.55	17,562.32	535.03	315.62	21,902.04

* includes deposits from corporates and unclaimed matured deposit.
** net of Impairment loss allowance.
*** Excludes deposits which are shown separately and external commercial borrowings and external commercial bond which are shown separately under Foreign Currency Liabilities

PART C

Disclosures under Form PAS -4 pursuant to Section 42 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Sub-Part A
PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

1. GENERAL INFORMATION

i. Name, address, website (if any) and other contact details of the company indicating both registered office and corporate office:

Name of the Company: Shriram Finance Limited
Website: www.shriramfinance.in
Contact Details: 022- 40959595

Registered office of the Company:

Sri Towers, Plot No.14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032

Corporate Office of the Company:

Shriram Finance Limited.
Wockhardt Towers, Level – 3, West Wing,
C-2, G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051
Tel. No.: +91 22 4095 9595
Fax: +91 22 4095 9597/96

ii. Date of Incorporation of the Company:

June 30, 1979. Our Company was incorporated as a public limited company under the provisions of the Companies Act, 1956.

iii. Business carried on by the company and its subsidiaries with the details of branches or units, if any:

We have successfully diversified our product portfolio, which consists of commercial vehicle loans and loans to the small enterprise finance segment, two wheeler loans, loans against gold, auto loans, personal loans and housing finance loans. Within each of these segments, we offer a wide array of products to our customers. Each of our products differs in terms of the average tenure, average yield, average interest rate and average size of loan.

As per our Standalone Financial Statements, as of March 31, 2022, our assets under our management product portfolio comprised of commercial vehicles, passenger vehicles, tractors, construction equipment, two wheelers, SME loans, gold loans which constituted 47.29%, 27.22%, 20.57%, 2.50%, 1.07% and 1.30%, respectively of our total AUM.

We believe that our diverse revenue streams reduce our dependence on any particular product, thus enabling us to spread and mitigate our risk exposure to any particular industry, business or customer segment.

As part of our presence in the entire commercial vehicle financing ecosystem, we also provide various types of working capital loans to our customers for the purchase of vehicle parts, tyres, insurance, repairs, etc. in connection with the operation of their trucks and other commercial vehicles. We also offer fuel financing.

Our Customer Base

Commercial Vehicle Segment

Our customer base is predominantly first time buyers ("**FTB**") and small road transport operators ("**SRTOs**"), other commercial vehicle operators and smaller construction equipment operators. We also provide trade finance to

commercial vehicle operators. These customers typically have limited access to bank loans for commercial vehicle financing and limited credit histories. Our loans are secured by a hypothecation of the asset financed.

Small Enterprise Finance Segment

Our target customers in the small enterprise finance segment typically consist of self-employed professionals, wholesale and retail dealers, merchants, builders, small and medium scale manufacturing concerns and service providers. Typically, customers avail such borrowings to fund their businesses' expansion and to meet their working capital requirements. Each small enterprise finance loan is typically customized to suit the requirements of the customer after having assessed and understood their business model.

Two-Wheeler Loans

Our target customers in this segment typically include salaried and self-employed individuals in rural and semi urban areas. We also enter into arrangements with OEMs and dealers to offer our financial products to their potential customers, locally or nationwide, as the case may be.

Personal Loans

In the personal loan segment, we target customer segments that do not have easy access to banks or other modes of financing for immediate short- or medium-term funding requirements within reasonable time. Customers typically seek personal loans for medical treatment, education and weddings. Our officials reach out directly to our personal loan customers and visit them at their doorstep to carry out loan origination and credit evaluation, so as to ensure speedy processing of loans.

Housing Finance

We provide housing finance loans through our subsidiary Shriram Housing Finance Limited, which is registered as a non-deposit accepting HFC with the National Housing Bank. We grant housing finance loans for buying, renovating, extending and improving homes. As on December 31, 2022, SHFL operates through 123 branches.

i. Brief particulars of the management of the company:

The day to day management of the Company is carried out by the following key people:

Mr. Umesh Revankar	-	Executive Vice Chairman
Mr. Y S Chakravarti	-	Managing Director & CEO
Mr. Parag Sharma	-	Joint Managing Director & Chief Financial Officer
Mr. S. Sunder	-	Joint Managing Director

Umesh Revankar- Executive Vice Chairman

He joined STFC as an Executive Trainee in 1987. He has been associated with Shriram Group for over 30 years and has shouldered various responsibilities and worked in several key roles of business operations. He holds a degree in MBA Finance.

Mr. Y S Chakravarti – Managing Director & CEO

Mr. Y. S. Chakravarti, is appointed as Managing Director and CEO of the Company. He holds a degree in Bachelor of Commerce. He started his career in Shriram Chits Private Limited, Andhra Pradesh ('Shriram Chits') in June 1991 as an executive trainee.

Parag Sharma- Joint Managing Director & CFO

He has over 28 years of experience in finance industry. He joined in 1995 and now heads the Finance function. He is a qualified Cost Accountant.

S. Sunder- Joint Managing Director

He has over 28 years of experience in finance industry. He joined in 1995 and now heads the Accounts and Administration function. He is a qualified Cost Accountant.

ii. Names, addresses, Director Identification Number (DIN) and occupations of the directors:

Please refer to Part A of Section 3 of this Shelf Placement Memorandum.

iii. Management's perception of risk factors:

The following are some of the important factors that could cause actual results to differ materially from the Company's expectations:

The following are the risks envisaged by the management of the Company relating to the Company, the Debentures and the market in general. Potential investors should carefully consider all the risk factors stated in the Shelf Placement Memorandum in relation to the Debentures for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represents the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding the risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential Investors should also read the detailed information set out elsewhere in the Shelf Information Memorandum and reach their own views prior to making any investment decision.

If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's Debentures could decline and/or the Company's ability to meet its obligations in respect of the Debentures could be affected. More than one risk factor may have simultaneous effect with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures.

These risks and uncertainties are not the only issues that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below.

A. INTERNAL RISK FACTORS

As set out in **Section 2 (*Risk Factors*)** of the Shelf Placement Memorandum

B. EXTERAL RISK FACTORS

As set out in **Section 2 (*Risk Factors*)** of the Shelf Placement Memorandum

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

(a) Statutory dues: **NIL**
(b) Debentures and interest thereon: **NIL**
(c) Deposits and interest thereon: **NIL**
(d) Loan from any bank or financial institution and interest thereon: **NIL**

Names, designation, address and phone number, email ID of the nodal/ compliance officer of the Company, if any, for the private placement offer process:

Name: Mr. U. Balasundararao
Designation: Company Secretary/ Compliance Officer
Address:
Shriram Finance Limited.
Wockhardt Towers, Level – 2, East Wing,
C-2, G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051
Tel. No.: +022-40959595/76
Fax: +91-22-4095 9597/96
E-mail id: BALASUNDAR@shriramfinance.in

iv. PARTICULARS OF OFFER:

i) Financial Position of the Company for the last 3 Financial Year	Please refer **Part A of Section 3** of this Shelf Placement Memorandum.
ii) Date of passing of board resolution	December 24, 2022 read with resolution passed by the Banking and Finance Committee on January 23, 2023
iii) Date of passing of resolution in the general meeting, authorizing the offer of securities	March 06, 2022 passed by the shareholders of the Issuer under Section 42 of the Companies Act, 2013.
iv) Kinds of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued;	The Debentures being offered in terms of this Placement Memorandum read with the Supplemental Placement Memorandum are aggregating upto Rs.50,00,00,00,000, (Rupees five thousand crores only) in the form of: (i) Secured Rated Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) each; and/or (ii) Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) each.
v) Price at which the security is being offered including the premium, if any, along with justification of the price	Please refer to the summary term sheet set out in the relevant Supplemental Placement Memorandum issued with respect to each Tranche/ Series of Debentures.
vi) Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer.	Not Applicable
vii) Relevant date with reference to which the price has been arrived at; (Relevant date means a date at least thirty days prior to the date on which the general meeting of the company is schedule to be held)	Not Applicable
viii) The class or classes of persons to whom the allotment is proposed to be made;	Please refer to the provisions regarding **'Who can Apply'** under the Shelf Placement Memorandum.
ix) Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [not in case of issue of non-convertible debentures]	Not Applicable
x) The Proposed time within which the allotment shall be completed.	Please refer to the summary term sheet set out in the Supplemental Placement Memorandum issued with respect to each Tranche/ Series of Debentures.
xi) The names of the proposed allottees and the percentage of post private placement capital that may be held by them [not required in case of issue of non-convertible debentures];	Not Applicable
xii) The change in control, if any in the company that would occur consequent to the private placement.	There would be no Change in control post issuance of Debentures.
xiii) The number of person to whom allotment on preferential basis / private placement / right issue has already been made during the year, in terms of number of securities as well as price.	

ISIN No.	Allotment Date	Allotment Price Per Debenture	Issued Amount (Rs. In Crs)	No. of Investors
INE721A07QX8	18-04-2022	10,00,000	700	1

INE721A07QY6	25-04-2022	10,00,000	100	1
INE721A07QW0	23-03-2022	10,00,000	200	1
INE721A07NO4	23-03-2022	10,00,000	25	1
INE721A07QI9	25-05-2022	10,00,000	220	7
INE721A07QZ3	11-07-2022	10,00,000	20	1
INE721A07QZ3	19-07-2022	10,00,000	104.8	3
INE721A07RA4	17-08-2022	10,00,000	3300	2
INE721A07QZ3	30-08-2022	10,00,000	125	1
INE721A07RB2	02-09-2022	10,00,000	64.70	1
INE721A07RD8	08-09-2022	10,00,000	201	2
INE721A07RC0	08-09-2022	10,00,000	200	2
INE721A07QZ3	13-09-2022	10,00,000	98.2	1
INE721A07RB2	21-09-2022	10,00,000	75.6	2
INE721A07RE6	18-10-2022	10,00,000	27	1
INE721A08DG9	25-10-2022	100,00,000	115	3
INE721A07RF3	18-11-2022	10,00,000	30	1
INE721A07RG1	23-11-2022	10,00,000	50	1
INE721A07RE6	5-12-2022	10,00,000	110	4
INE721A07RB2	13-12-2022	10,00,000	19.5	1
INE722A07BH1	18-05-2022	10,00,000	448.60	35
INE722A07BI9	31-05-2022	10,00,000	110	3
INE722A07BH1	16-06-2022	10,06,282	133.63	26
INE722A07BI9	27-06-2022	10,05,815.58	90.52	1
INE722A07BJ7	15-09-2022	10,00,000	400	6
INE722A07BK5	07-10-2022	10,00,000	150	1
Total			**7,118.50**	**109**

xiv) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not Applicable
xv) Amount which the company intends to raise by way of proposed offer of securities	Upto Rs. 50,00,00,00,000/- (Rupees five thousand crores only)
xvi) Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment	Please refer to the Section 5 of this Shelf Placement Memorandum and Section II/Section III of the Supplemental Placement Memorandum for Non-Convertible Debentures/Market Linked Debentures.

xvii) Proposed time schedule for which the Private placement cum application letter is Valid.	Please refer to the summary term sheet set out in the relevant Supplemental Placement Memorandum issued with respect to each Tranche/ Series of Debentures
xviii) Purposes and objects of the offer	Please refer to disclosure on Objects of the Issuer as set out in Section 5 above.
xix) Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	Nil
xx) Principle terms of assets charged as security, if applicable	As per
xxi) The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations	Nil

ix. Pre-issue and post issue shareholding pattern of the Company as on December 31, 2022:

Sl. No.	Category	Pre-issue		Post-issue	
		No. of Shares held	% of Shares held	No. of Shares held	% of Shares held
A	**Promoters' Holding**				
1	Indian				
	Individual	-	-	-	-
	Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai Pvt.Ltd.)	6,71,45,784	17.93	67145784	17.93
	Shriram Ownership Trust	78,40,080	2.09	78,40,080	2.09
	Shriram Value Services Ltd.	1,21,70,003	3.25	1,21,70,003	3.25
	Sub-total	87155867	23.28	87155867	23.28
2	Foreign Promoters	-	-	-	-
	Sanlam Life Insurance Limited	75,36,951	2.01	75,36,951	2.01
	Sub-total (A)	9,46,92,818	25.29	9,46,92,818	25.29
B	**Non-Promoters' Holding**				
1	Institutional Investor	20,23,15,897	54.03	20,23,15,897	54.03
2	Non-Institutional Investor				
	Private corporate Bodies	3,35,56,502	8.96	3,35,56,502	8.96
	Directors and relatives	46,872	0.01	46,872	0.01
	Indian Public	1,61,29,508	4.32	1,61,29,508	4.32
	Other Including Non-resident Indians (NRIs)	2,76,85,679	7.39	2,76,85,679	7.39
	Sub-total (B)		74.71		74.71

		27,97,34,458		27,97,34,458	
	GRAND TOTAL	**37,44,27,276**	**100**	**37,44,27,276**	**100**

2. MODE OF PAYMENT FOR SUBSCRIPTION: Cheque/ Demand Draft/ Other Banking Channels (NEFT/RTGS)

3. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

Any financial or other material interest of the directors, promoters or key managerial personnel in the Issue and the effect of such interest in so far as it is different from the interests of other persons	NIL
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of the Company during the last 3 (three) years immediately preceding the year of the circulation of this Placement Memorandum and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	NIL
Remuneration of directors (during the current year and last 3 (three) financial years)	For Current Year: The remuneration of directors for F.Y 2022-23 is Rs. 313.82 Lakhs F.Y. 2021-22: The remuneration of directors for F.Y 2021-22 is Rs. 363.28 Lakhs F.Y. 2020-21: The remuneration of directors for F.Y. 2020-21 is Rs 175.54 Lakhs F.Y. 2019-20: The remuneration of directors for F.Y. 2019-20 was Rs.165.04 Lakhs
Related party transactions entered during the last 3 (three) financial years immediately preceding the year of circulation of this Placement Memorandum including with regard to loans made or, guarantees given or securities provided	Please refer to Annexure X of this Shelf Placement Memorandum
Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of circulation of this Placement Memorandum and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	NIL
Details of any inquiry, inspections or investigations initiated or conducted under the Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of offer letter in the case of the Company and all of its subsidiaries. Also if there were any were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this Placement Memorandum and if so, section-wise details thereof for the Company and all of its subsidiaries	NIL
Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company	NIL

4. FINANCIAL POSITION OF THE COMPANY

(a) The capital structure of the company in the following manner in a tabular form-

(i) (A) The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);

Share Capital	In Lacs
AUTHORISED SHARE CAPITAL	
2,97,55, 00, 000 Equity Shares of Rs. 10/- each	297,550
12,90,00,000 Preference Shares of Rs. 100/- each	129,000
TOTAL	426,550
ISSUED	
37,44,27,276 Equity Shares of Rs. 10 /- each	37,442.73
SUBSCRIBED	
37,44,27,276 Equity Shares of Rs. 10 /- each	37,442.73
PAID-UP SHARE CAPITAL	
37,44,27,276 Equity Shares of Rs. 10/- each	37,442.73
NOTES:	
The Equity Shares allotted for consideration other than cash are as follows: a) 6,06,33,350 fully paid-up Equity Shares of our Company have been allotted to the shareholders of Shriram Investments Ltd (SIL), pursuant to a scheme of amalgamation sanctioned by the Hon'ble High Court of Madras vide its order dated November 25, 2005, in a ratio of 1 fully paid up Equity Share of our Company, for every 1 fully paid up equity share of the face value of Rs. 10/- each, of SIL; b) 1,86,45,886 fully paid-up Equity Shares of our Company have been allotted to the shareholders of Shriram Overseas Finance Ltd (SOFL), pursuant to a scheme of amalgamation sanctioned by the Hon'ble High Court of Madras vide its order dated December 1, 2006, in a ratio of 3 fully paid up Equity Shares of our Company, for every 5 fully paid up equity shares of the face value of Rs. 10/- each, of SOFL; c) Pursuant to Shiram Holdings (Madras) Pvt. Ltd. (SHMPL) Scheme of Merger sanctioned vide the SHMPL Merger Order passed by the Hon'ble High Court of Madras, our Company issued and allotted 9,38,72,380 fully paid up equity shares of our Company to the shareholders of SHMPL, whose names appeared in the register of members on the specified date in connection with the aforesaid scheme of amalgamation, in a ratio of 313 fully paid up Equity shares of our Company, for every 124 fully paid up equity shares of the face value of Rs. 10 each, of SHMPL. d) Pursuant to the issuance of 64,95,420 Equity Shares on a rights basis on April 21, 1995, 64,84,910 Equity Shares were allotted, and 10,510 Equity Shares were kept in abeyance and not allotted, on account of unavailability of certain information in connection with certain applicants of Equity Shares in the said rights issue. Subsequently, 2,369 Equity Shares and 2,000 Equity Shares of the aforementioned Equity Shares kept in abeyance were allotted on November 11, 1995 and December 28, 1995, respectively. On March 06, 2022, 6,141 equity shares of face value of Rs.10/- each were cancelled from Issued Share Capital of the Company pursuant to the resolution passed by the shareholders through Postal Ballot. e) Pursuant to the Composite Scheme of Arrangement and Amalgamation among Shrilekha Business Consultancy Private Limited (SBCPL) and Shriram Financial Ventures (Chennai) Private Limited (SFVPL) and Shriram Capital Limited (SCL) and Shriram Transport Finance Company Limited (STFC/the Company) (now Shriram Finance Limited) and Shriram City Union Finance Limited (SCUF) and Shriram LI Holdings Private Limited (SLIH) and Shriram GI Holdings Private Limited (SGIH)	

Share Capital	In Lacs
and Shriram Investment Holdings Limited (SIHL) and their respective Shareholders ("Scheme") sanctioned by the Hon'ble National Company Law Tribunal, Special Bench – II, Chennai vide its Common order dated November 14, 2022, read with Corrigendum dated November 17, 2022 to the order ("Order"), the Board of Directors of the Company issued and allotted on December 12,2022, 17,43,44,710 new equity shares of face value of Rs.10/- each fully paid up to the eligible shareholders of erstwhile SCL and SCUF as per the share exchange ratio . 7,04,37,147 equity shares of face value of Rs.10/- each fully paid-up of the Company held by erstwhile SCL stood cancelled. Consequently, the issued and paid-up capital of the Company stood increased to Rs.374,42,72,760/- consisting of (37,44,27,276 equity shares of Rs.10/- each fully paid up	

(B) **Size of the present offer**:

Issue of upto 5,00,000 (five lakhs): (i) Secured Rated Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) each; and/or (ii) Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) each, for an amount aggregating upto Rs. 50,00,00,00,000/- (Rupees five thousand crores only), proposed to be issued on private placement basis, in multiple Tranche/ Series, upon such term as shall be set out in this Shelf Placement Memorandum read with the relevant Supplemental Placement Memorandum to be issued with respect to relevant Tranche/ Series of Debentures.

(C) **Paid up capital**:

(A) **After the offer:** The offer of Debentures in terms this Shelf Placement Memorandum and the Supplemental Placement Memorandum will not have an impact on the Share Capital of the Company.

(B) **After conversion of convertible instruments (if applicable):** NOT APPLICABLE

Share Premium Account (before and after the offer);

Share Premium Account	Amount (Rs. in Crs)
Before the Offer as on March 31, 2022	5,662.38
After the Offer	5,662.38

Note: *there will be no change in capital structure, i.e. the issued, subscribed and paid up capital and share premium account of the Company after issue of Debentures on private placement basis.*

(ii) The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:

Date of allotment	Number of equity shares allotted	Face Value (₹)	Issue Price per equity share (₹)	Consideration
May 29, 1979	50,000	10	10.00	Cash
April 17, 1984	250,000	10	10.00	Cash
October 26, 1986	150,000	10	Not Applicable	Other than Cash
October 26, 1987	150,000	10	Not Applicable	Other than Cash
October 26, 1988	150,000	10	Not Applicable	Other than Cash
March 31, 1989	575,000	10	Not Applicable	Other than Cash
June 1, 1991	1,725,000	10	Not Applicable	Other than Cash
March 1, 1992	1,725,000	10	Not Applicable	Other than Cash
December 1, 1992	1,720,420	10	Not Applicable	Other than Cash
April 21, 1995	6,484,910	10	10.00	Cash
November 11, 1995	2,369	10	10.00	Cash
December 28, 1995	2,000	10	10.00	Cash
June 26, 1998	4,534,370	10	Not Applicable	Other than Cash
June 26, 1999	9,068,740	10	Not Applicable	Other than Cash
June 26, 2000	9,068,740	10	Not Applicable	Other than Cash
November 28, 2002	6,243,000	10	12.00	Cash

April 26, 2004	4,600,000	10	29.81	Cash
July 23, 2004	5,450,000	10	25.50	Cash
February 16, 2005	13,479,000	10	35.00	Cash
December 23, 2005	60,633,350	10	Not Applicable	Other than Cash
February 2, 2006	24,478,681	10	112.00	Cash
August 7, 2006	57,15,000	10	35.00	Cash
January 23, 2007	59,250	10	35.00	Cash
February 12, 2007	18,645,886	10	Not Applicable	Other than Cash
March 27, 2007	79,300	10	35.00	Cash
March 30, 2007	9,100,000	10	112.00	Cash
March 30, 2007	18,700	10	35.00	Cash
April 27, 2007	16,000	10	35.00	Cash
June 30, 2007	19,500	10	35.00	Cash
July 31, 2007	6,900,000	10	112.00	Cash
August 10, 2007	7,000	10	35.00	Cash
October 13, 2007	34,200	10	35.00	Cash
December 14, 2007	12,000,000	10	300.00	Cash
June 25, 2008	87,100	10	35.00	Cash
July 14, 2008	81,150	10	35.00	Cash
July 24, 2008	94,850	10	35.00	Cash
September 19, 2008	74,600	10	35.00	Cash
October 27, 2008	29,300	10	35.00	Cash
December 10, 2008	9,200	10	35.00	Cash
May 16, 2009	34,200	10	35.00	Cash
June 12, 2009	8,000,000	10	300.00	Cash
July 16, 2009	95,350	10	35.00	Cash
November 10, 2009	1,096,750	10	35.00	Cash
November 24, 2009	36,650	10	35.00	Cash
January 28, 2010	11,658,552	10	500.80	Cash
March 26, 2010	1,084,700	10	35.00	Cash
September 09, 2010	20,400	10	35.00	Cash
December 06, 2010	6,22,450	10	35.00	Cash
May 13, 2011	23,400	10	35.00	Cash
September 2, 2011	37,600	10	35.00	Cash
March 29, 2012	78,900	10	35.00	Cash
September 11, 2012	53,500	10	35.00	Cash
November 5, 2012	5,00,868	10	Not Applicable	Other than Cash
March 2, 2013	9,000	10	35.00	Cash
August 12, 2013	18,800	10	35.00	Cash
August 06, 2020	26,178,777	10	570.00	Cash
June 12,2021	13,986,000	10	1430.00	Cash
July 8, 2021	1,736,100	10	1440.00	Cash
November 25, 2021	1,736,100	10	1440.00	Cash
December 12, 2022	1,03,907,563	10	-	Shares issued purusnat to merger
Total	**374427276**			

Provided that the issuer company shall disclose the number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for considerations other than cash and the details of the considerations in each case:

Date of allotment	**Number of equity shares allotted**	**Face Value (₹)**	**Issue Price per equity share (₹)**	**Consideration**
December 12, 2022	1,03,907,563	10	-	**Shares issued for consideration other than cash pursuant to**

				merger.

(b) Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter:

(Rs. in Crores)

Year	Profit Before Tax	Provision for Tax	Profit after Tax
F.Y.2021-22	3,549.25	841.32	2,707.93
F.Y. 2020-21	3,278.01	790.75	2,487.26
F.Y. 2019-20	3,438.67	936.83	2,501.84

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

Year	Dividend per share	Interest Coverage Ratio
F.Y. 2021-22	Rs.20 (1st and 2nd Interim dividends))	1.86
F.Y. 2020-21	Rs. 12/- (Interim dividend) Rs. 6/- (Recommended final dividend)	1.90
F.Y. 2019-20	Rs. 5/- per share	1.98

(d) A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue:

Please refer to **Annexure VII** of this Shelf Placement Memorandum.

(e) Audited Cash Flow Statement for the three years immediately preceding the date of issue:

Please refer to **Annexure VII** of this Shelf Placement Memorandum.

(f) Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.

Sub-Part B

Applicant Details

1. Name:
2. Father's Name: Not Applicable
3. Complete address including flat/ house number/ street, locality, pin code:
4. Phone number, if any:
5. Email ID, if any:
6. PAN:
7. Bank account details:
8. Demat Account Details:
9. Tick whichever is applicable:-

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

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

Signature of the applicant

_____

Initial of the officer of the company designated to keep the record

_____

SECTION 4: Disclosures Pertaining To Wilful Default

1. Name of the bank declaring the entity as a wilful defaulter: **None**
2. The year in which the entity is declared as a wilful defaulter: **None**
3. Outstanding amount when the entity is declared as a wilful defaulter: **None**
4. Name of the entity declared as a wilful defaulter: **None**
5. Steps taken, if any, for the removal from the list of wilful defaulters: **None**
6. Other disclosures, as deemed fit by the issuer in order to enable Investors to take informed decisions: **None**
7. Any other disclosure as specified by the Board: **None**

SECTION 5: Issue Details

1. Issue Structure and Process

This is a confidential Shelf Placement Memorandum setting out the terms and conditions pertaining to issue of upto 50,00,00,00,000 (Five Thousand Crores): (i) Secured Rated Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) each; and/or (ii) Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) each, for an amount aggregating upto Rs. 50,00,00,00,000/- (Rupees five thousand crores only).

The issuance of Debentures in terms of this Placement Memorandum does not qualify as issue of non-equity regulatory capital as mentioned in chapter V and XIII of the SEBI NCS Regulations. The face value of each debenture to be issued on private placement basis shall be Rs. 1,00,000/- (Rupees One Lakh only) (or any higher amount as otherwise specified).

2. Authority for the Placement

This private placement of Debentures is being made pursuant to the resolution of the Banking and Finance Committee passed at its meeting held on January 23, 2023 read with resolution of the board of directors of the company dated December 24, 2022 which has approved the placement of debentures aggregating to Rs. 35,000 crores. The issue of private placement of Debentures is within the overall limit in terms of special resolution passed under Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of securities) Rules, 2014, passed by the shareholders of the Company on March 06, 2022. The present issue is within the general borrowing limits under Section 180(1) (c) of the Companies Act, 2013 and pursuant to the approval of the shareholders of the Company to the Composite Scheme of Arrangement and Amalgamation at its Hon'ble National Company Law Tribunal, Chennai (NCLT) convened meeting held on July 4, 2022 read with NCLT order dated November 14, 2022 giving their consent to the borrowing by the Directors of the Company from time to time not exceeding over and above the aggregate of Rs. 1,90,000 Crores the then paid-up capital subject to any restrictions imposed by the terms of the agreement entered into from time to time for grant of loans to the Company of all monies deemed by them to be requisite or proper for the purpose of carrying on the business of the Company. The borrowings under these Debentures will be within the prescribed limits as aforesaid.

The Company can carry on its existing activities and future activities planned by it in view of the existing Approvals, and no further approvals from any Government authority are required by the Company to carry on its said activities.

The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the provisions of the Act, rules framed thereunder, regulations/guidelines/directions of RBI (including the Master Direction-Non-Banking Financial Company – Non Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued on September 01, 2016 and bearing reference Master Direction DNBR. PD. 008/03.10.119/2016-17 (as amended from time to time) and RBI circular no. DNBR (PD) CC No. 021/03.10.001/2014-15 dated February 20, 2015 (Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs), SEBI (including the SEBI Debt Listing Regulations) and Stock Exchanges and other applicable laws and regulations from time to time. The Debenture Holders, by purchasing the Debentures, agree that the courts and tribunals in the city of Chennai shall have exclusive jurisdiction with respect to any matters relating to the Debentures.

Further, the said Debentures shall be subject to the terms and conditions as contained in the Application Form, Shelf Placement Memorandum, Supplemental Placement Memorandum, Debenture Trust Deed, Debenture Trustee Agreement and other Transaction documents.

3. Objects & Utilization of the Issue Proceeds

The company proposes to raise Rs. 50,00,00,00,000/- (Rupees five thousand crores only) through the issue of :

(i) Secured Rated Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) each; and/or

(ii) Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) each,

by way of private placement as per the terms and conditions. The proceeds thereof will be utilized in accordance with statutory and regulatory requirements (including requirements of RBI) and for financing of all the asset classes, refinancing of existing debt and other general purposes of the Company. The proceeds of the issue will not be utilized for funding of new projects.

The Capital Adequacy Ratio of the Company as on March 31, 2022 is 22.97%. However, considering the growth of assets planned during the current and the subsequent years, the Company desires to raise Tier II capital to maintain the Company's Capital Adequacy Ratio at a level not below the minimum required to be maintained as per RBI guidelines.

The net proceeds from the Issue shall not be used in contravention of the RBI guidelines applicable to NBFCs. As per the provisions of the RBI Circular(s), the Issue proceeds shall be deployed on the Company's own balance sheet and not to facilitate resource requests of group entities/ parent company / associates. No part of the proceeds of the Debentures would be utilized by the Issuer directly/indirectly towards capital markets and real estate purposes.

The expenses of the present Issue can be met from the Proceeds of the Issue. The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present issue and also the activities, which the Company has been carrying on till date.

Please Note: The specific details regarding utilisation of the proceeds of the Issue of each Series/ Tranche of Debentures, including the granular disclosures as required under the SEBI NCS Regulations shall be disclosed in relation to the relevant Tranche/ Series of Debentures in the Supplemental Placement Memorandum to be issued/ filed for the relevant Tranche/ Series.

4. Deemed Date of Allotment

Interest on Debentures shall accrue to the Debenture Holder(s) from and including the deemed date of allotment that will be notified in the relevant Supplemental Placement Memorandum. All benefits relating to the Debentures will be available to the investors from the Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any prior notice and shall have a right to allot the Debentures in tranches / series which shall form the part of this Issue. In case if the issue closing date is changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Company at its sole and absolute discretion.

The final subscription to the Debentures shall be made by the Eligible Investors through the Electronic Book Mechanism as prescribed by SEBI under the SEBI Electronic Book Mechanism Guidelines by placing bids on the Electronic Book Platform during the Issue period.

5. Underwriting

The present Issue of Debentures is on private placement basis and has not been underwritten.

6. Status of Debentures

The Debentures shall rank *pari-passu* inter se and without any preference or priority among themselves and other subordinate debentures issued by the Company.

Further, Debentures offered under this Issue are secured by certain receivables, details of which are described below.

7. Market Lot

The market lot shall be one Debenture of face value of Rs.1 lakh each ("**Market Lot**"). Since the Debentures are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.

8. Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. Tax exemption certificate/ document, under Section 193 of the Income Tax Act, 1961, if any, must be lodged at the registered office of the Company or at such other place as may be notified by the company in writing, at least 30 calendar days before the interest payment dates.

Tax exemption certificate/ document in respect of non-deduction of tax at source on interest on application money, must be submitted along with the Application Form.

9. Debentures in Dematerialized Form

The Company has finalized Depository Arrangements with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) for dematerialization of the Debentures. The investor has to necessarily hold the Debentures in dematerialized form and deal with the same as per the provisions of Depositories Act, 1996 (as amended from time to time). The normal procedures followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Applicants to mention their Depository Participant's name, DP-ID and Beneficiary Account Number/Client ID in the appropriate place in the Application Form. In case the depository arrangement is dematerialised before the completion of all legal formalities for issue of Debenture Certificates, Debentures to successful allottee(s) having Depository Account shall be credited to their Depository Account against surrender of Letter of Allotment.

Interest or other benefits with respect to the Debentures would be paid to those Debenture holders whose names appear on the list of beneficial owners given by the Depositories to the Issuer as on a record date/book closure date. The Issuer would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and informed to the Issuer where upon the interest/benefits will be paid to the beneficiaries within a period of 30 days.

10. Payment of Redemption

Each Debenture of face value of Rs.1 lakh (Rupees One Lakh only) (or any higher amount as otherwise specified) each redeemable as specified in the Supplemental Placement Memorandum.

The Debentures will not carry any obligation, for interest or otherwise, after the date of redemption. The Debentures held in the dematerialized form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered Debenture holders whose name appear in the Register of Debenture holders on the Record Date. Such payment will be a legal discharge of the liability of the Company towards the Debenture holders. On such payment being made, the Company will inform NSDL/CDSL and accordingly the account of the Debenture holders with NSDL/CDSL will be adjusted.

If the Redemption Date falls on a day which is not a Business then payment of interest and principal will be made on the preceding working day.

11. Disputes and Governing Law

The Debentures shall be construed to be governed in accordance with Indian Law. The courts of Chennai alone shall have jurisdiction in connection with any matter arising out of or under these precincts.

Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debentures to be issued to the allottees and the Debenture Trust Deed/Trustee Agreement.

12. Trading of Debentures

The trading of Debentures would be permitted in the anonymous, order driven system of the Stock Exchange in a separate trading segment. The marketable lot would be one Debentures of face value of Rs. 1,00,000/- (Rupees One lakh only) (or any higher amount as otherwise specified) each. All class of investors would be permitted to trade subject to the standard denomination/marketable lot. The trades executed on spot basis shall be required to be reported to the Stock Exchange.

13. Transaction Documents

The detailed terms of the Debentures, including the events of default, covenants and undertakings in relation to the Debentures shall be as per the Debenture Trust Deed.

14. List of Beneficial Owners

The Company shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

15. Term Sheet

The following is a summary of the terms of the Issue to the extent that they are applicable to each Series. Since the terms for each Series may be different, the specific terms of each Series of Debentures to be issued under the Issue shall be specified in the relevant Supplemental Placement Memorandum (s) to be issued in respect of that Series, which Supplemental Placement Memorandum will also be filed with BSE.

Security Name	Shall be disclosed in the relevant Supplemental Placement Memorandum to be issued in relation to each Tranche of Debentures.
Issuer	Shriram Finance Limited
Type of Instrument	(i) Secured Rated Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) each; and/or (ii) Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) each.
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	Please refer Clause "Who can apply" of this Shelf Placement Memorandum.
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	The Debentures being issued under each Tranche/ Series shall be listed with BSE and the same will be identified in the Supplemental Placement Memorandum. In the event the Debentures issued under any Series/ Tranche listed on both BSE, the designated stock exchange will be identified in the Supplemental Placement Memorandum. Please refer to **Annexure III** of this Shelf Placement Memorandum for a copy of the in-principle approval letter dated 6th February, 2023 issued by BSE. The Company shall forward the listing application to the relevant Stock Exchanges and procure permission for listing of Debentures from the same within the 3 days from the date of closure of issue (s). In case of delay in listing of the Debentures beyond 3 days from the date of closure of issue, the Company will: (A) pay penal interest of 1% p.a. over the Coupon Rate from the Deemed Date of Allotment and till the listing of the Debentures, to the investor; and (B) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from the Stock Exchange.
Rating of the Instrument	Shall be disclosed in the Supplemental Placement Memorandum to be issued in relation to each Tranche of Debentures.
Issue Size	(i) Secured Rated Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) each; and/or (ii) Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) (or any higher amount as otherwise specified) each, and aggregating upto Rs. 50,00,00,00,000, (Rupees five thousand crores only) in one or more Series/ Tranches.
Minimum Subscription	1 debentures and in multiples of 1 thereafter.
Option to retain oversubscription (Amount)	The Debentures under each Series/ Tranche may be issued with a green shoe option to retain oversubscription within the aggregate Issue Size. The Supplemental Placement Memorandum to be issued in relation to each Series/ Tranche shall set out details in relation to the same.
Objects of the Issue	The Proceeds of the issue will be used for financing of all the asset classes of the Company and the proceeds thereof will be utilized in accordance with statutory

	and regulatory requirements (including requirements of RBI) and refinancing of existing debt and other general purposes of the Company. The proceeds of the issue will not be utilized for funding of new projects. Please Note: The specific details regarding utilisation of the proceeds of the Issue of each Series/ Tranche of Debentures, including the granular disclosures as required under the SEBI NCS Regulations shall be disclosed in relation to the relevant Tranche/ Series of Debentures in the Supplemental Placement Memorandum to be issued/ filed for the relevant Tranche/ Series.
Details of the utilization of the Proceeds	Please refer clause "Objects & Utilization of the Issue Proceeds" of this Shelf Placement Memorandum
Coupon Rate/ Redemption Premium/ Interest	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Step Up/Step Down Coupon Rate	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Coupon Payment Frequency	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Coupon payment dates	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Coupon Type	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Day Count Basis	Actual / Actual i.e. The interest shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days. In case leap year, if February 29 fall during the tenor of a security, than the number of days shall be reckoned as 366 days for the whole one year period. (Day count basis shall be calculated in accordance with Chapter III of the Operational Circular)
Interest on Application Money	The Issuer shall allot Debentures within a period of 60 (sixty) days from the date of receipt of the application money from the prospective debenture holders. In the event the Issuer is unable to allot the securities within the aforesaid period, it shall return the application money within a period of 15 (fifteen) days from the date of expiry of 60 days. In the event the Issuer fails to repay the application money in the said period, the Issuer shall be liable to repay the application money with interest at the rate of 12% p.a. from the expiry of 60th day.
Default Interest Rate	In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of 2% p.a. over the coupon rate will be payable by the Company for the defaulting period. In case of delay in listing of the Debentures beyond 3 days from the date of closure of issue, the Company will: (A) pay penal interest of 1% p.a. over the Coupon Rate from the Deemed Date of Allotment and till the listing of the Debentures, to the investor; and (B) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from the Stock Exchange.
Tenor	As per Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures
Redemption Date	As per Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures
Redemption Amount	As per Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures
Redemption Premium /Discount	As per Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures
Issue Price	Rs.1,00,000/- (Rupees one lakh) (or any higher amount as otherwise specified) per Debenture
Discount at which security is issued and the effective yield as a result of such discount.	N.A.
Put option Date	N.A.

Put option Price	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Face Value	Rs.1,00,000/- (Rupees One Lakh) (or any higher amount as otherwise specified) per Debenture
Minimum Application and in multiples of Debt securities thereafter	Minimum of 1 Debentures of Rs. 1,00,000/- (Rupees One Lakh only) (or any higher amount as otherwise specified) each and in multiples of 1 Debenture thereafter
Issue Timing 1. Issue Opening Date 2. Issue Closing Date 3. Pay-in Date 4. Deemed Date of Allotment 5. Date of earliest closing, if any	As per Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Payment of interest and principal will be made by way of Cheque/s DD's / Electronic mode.
Depository	National Securities Depository Limited and/or Central Depository Services Limited
Disclosure of Redemption Dates	As per Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures
Record Date	15 (Fifteen) days prior to each Coupon Payment / Redemption date
All covenants of the issue (including side letters, accelerated payment clause, etc.)	As set out in **Annexure VI** hereto.
Description regarding Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the Debenture Holders over and above the Coupon rate as specified in the Debenture Trust and Disclosed in the Shelf Placement Memorandum and the Supplemental Placement Memorandum).	The Company shall, at all times during the tenor of the Debentures, maintain a minimum of 100% security cover in respect of the outstanding nominal value of the Debentures and coupon as required under the SEBI NCS Regulations. First and exclusive charge by way of hypothecation in favor of the Debenture Trustee over the specific identified loan assets/book debts loan assets of the Company more particularly described in MOH.
Delay in security creation/Execution of Debenture Trust Deed	The Issuer and the Debenture Trustee shall execute the Debenture Trust Deed within such timelines as may be specified by the Board. Where an Issuer fails to execute the Debenture Trust Deed within the period specified, without prejudice to any liability arising on account of violation of the provisions of the Companies Act, 2013 and SEBI (Issue and Listing of Non-Convertible Securities), 2021, the Issuer shall also pay interest of at least 2% (two percent) per annum or such other rate, as specified by the Board to the holder of debt securities, over and above the agreed Coupon Rate, till the execution of the Trust Deed.
Transaction Documents	shall mean and refer to the debenture trust deed, the debenture trustee appointment agreement, the deed of hypothecation, this Shelf Placement Memorandum, the Supplemental Placement Memorandum executed/issued or to be executed/ to be issued in relation to the Debentures.
Conditions Precedent to Disbursement	Company shall have obtained all corporate approvals from its shareholders/ board of directors (as applicable), including any approval/ consent from any third

	party in relation to the issuance of Debentures and creation of security in relation thereto. The Company shall have entered into tripartite agreement with the Depository in respect of the Debentures. The Company shall have obtained in principle approval from the relevant stock exchange in relation to the listing of Debentures.
Condition Subsequent to Disbursement	1. The letter of allotment for debentures will be credited in dematerialized form within 2 (Two) days from the Deemed Date of Allotment. 2. The Company shall within a period of 15 (Fifteen) days from the Deemed Date of Allotment file return of allotment with the registrar of companies in relation to the Debentures. 3. The Company shall ensure that the Debentures are listed on the stock exchanges within a period of 3 (three) days from the Deemed Date of Allotment.
Events of Default (including manner of voting/ conditions of joining Inter Creditor Agreement)	Please refer to **Annexure VI** hereto.
Creation of Recovery Expenses Fund	The Company shall create and maintain a recovery expense fund as per the provisions of the SEBI NCS Regulations and the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, and other applicable law, as amended from time to time, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by SEBI or any other regulator under the Applicable Law in respect of creation of the recovery expense fund, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Trustee.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	As set out in **Annexure VI** hereto.
Provisions related to Cross Default Clause	As set out in **Annexure VI** hereto.
Further Issuance	Company reserves the right to make multiple issuance under the same ISIN with reference to the Operational Circular. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with Operational Circular
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders as customary for transaction of a similar nature and size and as executed under the appropriate Transaction Documents. Please refer to **Annexure I** of this Shelf Placement Memorandum for a copy of the Consent Letter mentioning the acceptance fees and service charge of the Debenture Trustee. Please refer to Annexure VI for the key terms of the Debenture Trustee Appointment Agreement and the Debenture Trust Deed for roles and responsibilities of Debenture Trustee set out under the said Transaction Documents.
Risk Factors pertaining to the Issue	As set out in in Section 2 (Risk Factors) of this Placement Memorandum
Governing Law and Jurisdiction	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the Courts in Chennai shall have jurisdiction to determine any dispute arising in relation to the Debentures. The detailed dispute resolution shall be as set out in the Transaction Documents.
Holiday convention/ Business Day Convention	If any Interest payment date/ coupon payment date (other than the Redemption Date) falls on a day which is not a Business Day, the payment to be made on the said day will be made on the following Business Day. If any principal payment date falls on a day which is not a Business Day, the payment will be made on the previous Business Day. However, on account of above, there would be no change in the dates of the future coupon payments and the same would be as per the schedule as set out in the Supplemental Placement Memorandum. Further, if the Redemption Date/ Maturity Date falls on a day that is not a

	Business Day, the Redemption Amount shall be paid on the immediately preceding Business Day, along with Coupon (if any) accrued on the Debentures until but excluding the date of such payment. Further, in case of failure of RBI's system for RTGS/NEFT payment, the same will be made on the next Business Day. The Company will not be liable to pay any additional interest on account of same.
Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s):	Debenture Trustee Agreement (DTA) has been executed as per required regulations before opening of Issue. Service charges of Debenture Trustee are mentioned in the consent letter dated 23 January 2023. Please refer to **Annexure I** of this Shelf Placement Memorandum for a copy of the Consent Letter mentioning the acceptance fees and service charge of the Debenture Trustee. Please refer to **Annexure VI** for details of terms of appointment of debenture trustee a captured in the Debenture Trustee Agreement.
Due Diligence by Debenture Trustee	The Debenture Trustee shall in accordance with the relevant guidelines/ circulars notifications issued by SEBI conduct due diligence. The due diligence certificate issued by the Debenture Trustee has been attached hereto as Annexure XI.

List of Transaction Documents: Debenture Trust Deed dated 6th February, 2023, executed by and between the Company and the Debenture Trustee;

1. Debenture Trustee Appointment Agreement dated 6th February, 2023 executed by and between the Company and the Debenture Trustee;
2. Deed of Hypothecation dated [●], 2023, executed by and between the Company and the Debenture Trustee;
3. This Shelf Placement Memorandum dated 8th February, 2023 in relation to the issue of Debentures.

SECTION **6**: Application Process

1. How to Apply

Only Eligible Investors as given hereunder and identified upfront by the Issuer may apply for the Debentures. Eligible investors are required to register on the EBP platform the link for which shall be available at https://bond.bseindia.com/Investor_Registration.aspx. All the registered and eligible investors are required to update the necessary bank account details and demat details before participating in the bidding process on the EBP platform.

Each Tranche/Series of the Issue will open on the 'Issue Opening Date' and close on the 'Issue Closing Date' (both days inclusive) as stated in the Supplemental Placement Memorandum ("Issue Period"). Potential investors who wish to invest in the Issue shall submit an application for the Debentures with all the accompanying documents and the application money at any time starting from the Issue Opening Date and upto the Issue Closing Date. The subscription to the Debentures shall be made by the potential investors through the electronic book mechanism as prescribed by SEBI during the Issue Period in the manner as set hereinbelow.

Applications for the Debentures must be made in the prescribed Application Form contained in the Supplemental Placement Memorandum as provided by the Company and must be completed in block letters in English by the investors. Application Form must be accompanied by payment details. All Application Forms, duly completed, together with cheque/ demand draft or Electronic transfer drawn or made payable in favour of Shriram Finance Limited of the amount payable on application. Applications for the Debentures must be in the prescribed form (enclosed) and completed in BLOCK CAPITAL LETTERS in English and as per the instructions contained therein. Applications complete in all respects (along with all necessary documents as detailed in this Disclosure Document) must be submitted before the last date indicated in the issue time table or such extended time as decided by the issuer. No separate receipt will be issued for the application money.

The funds have to be credited to the designated bank accounts of Indian Clearing Corporation Ltd ("ICCL"), the details of which shall be provided in the Supplemental Placement Memorandum, as per the Electronic Book mechanism Guidelines. It may be noted that payment by any other means shall not be accepted. The Issuer assumes no responsibility for any applications lost in mail or in transit or any failure of electronic fund transfer. The Issuer will not be responsible in any manner for any delayed receipts / non-receipt of payments or applications lost in mail.

The subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the EBP Guidelines by placing bids on the EBP platform during the Issue period. In case the Eligible Investors are not registered on the EBP platform, they will have to register themselves as investor on the said platform (as a one-time exercise) and also complete the mandatory KYC verification process. The Eligible Investors should also refer to the operational guidelines of the EBP in this respect.

2. Process flow of settlement:

Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Shelf Placement Memorandum and Supplemental Placement Memorandum have been issued by the Issuer and who have submitted/shall submit the Application Form ("Successful Bidders"), shall make pay-in of subscription monies in respect of the Debentures towards the allocation made to them, into the bank account of Indian Clearing Corporation Limited (ICCL) (the details of which will be set out under the Supplemental Placement Memorandum), on the Pay in Date.

The pay-in by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by them in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Upon the transfer of funds into the aforesaid account of ICCL and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the ICCL, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the Registrar to the Issue, the Registrar to the Issue shall provide corporate action file along with all requisite documents to the Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into

the Issuer's bank account, the details whereof will be intimated to the EBP by the Issuer.

It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties will be applicable as specified by the EBP Guidelines.

All payments must be made through NEFT, RTGS, electronic fund transfer to the bank account of ICCL. It may be noted that payment by any other means shall not be accepted. The Company assumes no responsibility for any applications lost in mail or in transit or any failure of electronic fund transfer. The Company will not be responsible in any manner for any delayed receipts / non-receipt of RTGS payments or applications lost in mail.

As a matter of precaution against possible fraudulent encashment of interest warrants/ cheques due to loss/ misplacement, the applicant should furnish the full particulars of his or her bank account (i.e. Account Number, name of the bank and branch) at the appropriate place in the Application Form. Interest warrants will then be made out in favour of the bank for credit to his/ her account so specified and dispatched to the investors, who may deposit the same in the said bank.

The Issuer assumes no responsibility for any applications / cheques / demand drafts lost in mail or in transit.

3. Who can apply

Nothing in this Shelf Placement Memorandum shall constitute and/or deem to constitute an offer or an invitation to offer, to be made to the public or any section thereof through this Shelf Placement Memorandum and this Shelf Placement Memorandum and its contents should not be construed to be a prospectus under the Act. The Issue is a domestic issue and is being made in India only. This Shelf Placement Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Company and only such recipients are eligible to apply for the Debentures. Subject to applicable law, the categories of investors eligible to subscribe to the Debentures in this Issue, when addressed directly, are:

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

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

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

No other person may apply. Hosting of Shelf Placement Memorandum on the website of the BSE should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is stipulated by the SEBI Debt Listing Regulations read with the EBP Circular. Investors should check their eligibility before making any investment.

Without prejudice to the aforesaid, where the selection of the eligible investors is required to be done pursuant to bidding mechanism on the electronic platform called the "**EBP Platform**" under the EBP Guidelines or any other successive arrangement/platform mandated by SEBI, only those Persons out of the aforesaid categories of investors, who are registered on the EBP Platform and are eligible to make bids for

Debentures of the Issuer and to whom allocation is to be made by the Issuer pursuant to selection under the electronic book mechanism for issuance of securities on private placement basis in terms of the EBP Guidelines and the Electronic Book Providers shall be considered as "identified persons" for the purposes of Section 42(2) of the Companies Act2013, to whom the Issuer shall make private placement of the Debentures and only such "identified persons" shall receive a direct communication from the Issuer with offer to subscribe to the Debentures and only such "identified persons" shall be entitled to subscribe to the Debentures.

Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the EBP Guidelines) specifically mapped by the Issuer on the EBP Platform are also eligible to bid/apply/invest for this Issue.

Although above investors are eligible to apply however only those investors, who are individually addressed through direct communication by the Company/ Sole Arranger, are eligible to apply for the Debentures. No other person may apply. Hosting of Shelf Placement Memorandum on the website of the BSE should not be construed as an offer to issue and the same has been hosted only as it is stipulated by SEBI. Investors should check about their eligibility before making any investment.

The applications must be accompanied by certified true copies of (1) Memorandum and Articles of Association/ Constitution/ Bye-laws (2) Resolution authorizing investment and containing operating instructions (3) Specimen signatures of authorised signatories and (4) Xerox copy of PAN Card. (5) Registration Certificate (6) Necessary forms for claiming exemption from deduction of tax at source on the interest income/ interest on application money, wherever applicable.

4. Submission of Documents

For the sake of simplicity, we hereby provide the details of documents required to be submitted by various categories of Applicants (who have applied for Allotment of the Debentures) while submitting the Application Form:

Applications by Banks / eligible Foreign Portfolio Investors (subject to applicable law)

The application must be accompanied by copies of (i) Board Resolution authorizing investments and containing operating instructions or letter of authorization, if applicable or Power of Attorney, if applicable and (ii) specimen signatures of authorized signatories. (iii) Registration Certificate as may be applicable, as may be required to be deposited under applicable law.

Applications by Corporate Bodies / Eligible Financial Institutions /Companies / Statutory Corporations / Trusts

The applications must be accompanied by copies of (i) Memorandum and Articles of Association / Trust Deed / proof of Constitution, as may be applicable (ii) Resolution authorizing investment and containing operating instructions; (iii) Specimen signatures of authorized signatories; (iv) Necessary certificate for claiming exemption from deduction of tax at source on interest on application money, as may be required to be deposited under applicable law.

Application made by Mutual Funds / Insurance Companies

The application must be accompanied by copies of (i) SEBI Registration Certificate / IRDA Registration Certificate, as may be applicable. (ii) Authorised Signatories list containing operating instructions along with the specimen signatures and Power of Attorney forwarded by the custodian of the Mutual Fund/Insurance Company. (iii) Application Form shall clearly indicate the name of the concerned scheme for which application is being made, as may be required to be deposited under applicable law. In case of applications by Mutual Funds registered with SEBI, a separate application must be made in respect of each scheme of the Mutual Fund and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustee/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

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

Submission of completed Application Form

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

5. Applications under Power of Attorney / Relevant Authority

In case of applications made under a power of attorney or by a limited company or a body corporate or registered society or Mutual Fund, trusts etc., the relevant power of attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or bye-laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form at the Company's office where the application has been submitted failing which the applications are liable to be rejected.

6. PAN/GIR No:

All applicants should mention their Permanent Account number (PAN) allotted under Income Tax Act, 1961 or where the same has not been allotted, the GIR Number and the IT Circle/Ward/District should be mentioned. In case where neither the PAN nor the GIR number has been allotted, or the applicant is not assessed to Income Tax, the fact of such non-allotment should be mentioned in the Application Form. Applications without this will be considered incomplete and are liable to be rejected.

7. Right to Accept or Reject Applications

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

8. Fictitious Applications

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

9. Depository Arrangement

The Company has appointed Integrated Registry Management Services PVT LTD as Registrar and Transfer Agents for the Debenture issuance. The Company has entered into depository arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

10.Debentures in Dematerialised mode

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

11.Loss of Letters of Allotment / Certificates / Interest cheques / Refund cheques

Loss of Letter of Allotment / Certificates / Interest cheques / Refund cheques should be intimated to the Company along with request for duplicate issue. Relevant statute and any other conditions as may be prescribed by the Company would govern the duplicate issue.

12.Letter/s of allotment/refund order(s) and interest in case of delay in dispatch

The beneficiary account of the investor(s) with National Securities Depository Ltd. (NSDL)/ Central Depository Services Ltd (CDSL) Depository Participant will be given initial credit within two working days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of all the statutory formalities, such credit in the account will be akin to a Debenture Certificate.

The Issuer further agrees to pay interest as per the applicable provisions of the Companies Act, 2013, if the allotment letters/refund orders have not been dispatched to the applicants within 30 days from the date of the closure of the issue.

13.Applications under Power of Attorney

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

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

14.Signatures

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

15.Nomination Facility

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

16.Allotment Intimation

The Company has made depository arrangements with NSDL and CDSL for the issue of these Debentures in Dematerialized Form. The investors shall hold these Debentures in the dematerialized form and will be governed as per the provisions of the Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, rules notified by NSDL and CDSL (as applicable) from time to time and other applicable laws and rules notified in respect thereof.

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

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

17.Refund

The Issuer will execute and dispatch / credit to the DP account of the allottee the letters of Allotment / Allotment advice in favour of the allottee or Refund Letter along with refund amount, not later than 7 (seven) working days after receipt of completed Application Form or the Date of Allotment, whichever is later. After completion of all legal formalities, the Issuer will issue the Debentures Certificate(s) / credit the DP account of the allottee's against surrender of the letter(s) of allotment within three month(s) of the Deemed Date of Allotment or such extended period subject to obtaining the approvals, if any. The Company shall ensure dispatch of Refund Orders by Registered Post / Courier / Hand Delivery and adequate funds for the purpose shall be made available.

The Issuer agrees that it shall pay interest in accordance with provisions of the Companies Act, SEBI Regulations (as applicable), if there is a delay in dispatch of Allotment Letters / Refund Orders. The payment will be subject to deduction of tax at source at the rates prescribed under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof.

SECTION 7: OTHER INFORMATION AND ISSUE PROCEDURE

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Shelf Placement Memorandum and the relevant Supplemental Placement Memorandum, the Private Placement Offer cum Application Letter and other terms and conditions as may be incorporated in the Transaction Documents.

Mode of Transfer/Transmission of Debentures

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

Transfer of the Debentures to and from FPIs/ NRIs/ OCBs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines issued by RBI.

Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/fund transfer/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the relevant Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action. The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by NEFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered into a Debenture Trustee Agreement and the Issuer and the Debenture Trustee intend to enter into a Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and yield thereon and the Debenture Trustee will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, consistently fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

Sharing of Information

The Issuer may, at its option, but subject to applicable law, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and Affiliates and other banks, financial institutions, credit bureaus, credit information

companies, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and Affiliates nor their agents shall be liable for use of the aforesaid information.

Tax Deduction at Source (TDS):

(a) Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source for which a certificate will be issued by the Company. As per the provisions of the Income Tax Act, 1961, with effect from June 1, 2008, no tax is deductible at source from the amount of interest payable on any listed dematerialised security, held by a person resident in India. Since the Debentures shall be issued in dematerialised mode and shall be listed on the WDM segment of BSE, no tax will be deductible at source on the payment/credit of interest/implicit yield on Debentures held by any person resident in India. In the event of rematerialisation of the Debentures, or Debentures held by person resident outside India or a change in Applicable Law governing the taxation of the Debentures, the following provisions shall apply:

(b) In the event the Debentures are rematerialized and the Company is required to make a tax deduction, the Company shall make the payment required in connection with that tax deduction within the time allowed and in the minimum amount required by Applicable Law;

(c) The Company shall within 30 (thirty) days after the due date of payment of any tax or other amount which it is required to pay, deliver to the Debenture Trustee evidence of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority.

Interest on application money shall be subject to TDS at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company.

For seeking TDS exemption / lower rate of TDS, relevant certificate / document must be lodged by the Debenture Holder(s) at the Corporate Office of the Company at least 30 (Thirty) days before the interest payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money should be submitted along with the Application Form. For detailed tax implications of the investment in Debentures, investors should get in touch with their tax consultant.

Right of the Company to Purchase, Consolidate, Re-sell and Re-issue Debentures:

(a) **Purchase and Resale of Debentures:**

The Company may, subject to Applicable Law at any time and from time to time, at its sole and absolute discretion and subject to prior approval of Reserve Bank of India, purchase some or all of the Debentures held by the Debenture Holders at any time prior to the specified date(s) of redemption / put / call as specified in the relevant Supplemental Placement Memorandum. Such buy-back of Debentures may be at par or at discount / premium to the face value at the sole discretion of the Company. The Debentures so purchased may, at the option of the Company, be cancelled, consolidated, held or resold in accordance with the provisions of the Applicable Law.

(b) **Reissue of Debentures:**

The Company shall have a right to repurchase the said Debentures or any of the Series of the Debentures and cancel or re-issue them from time to time in accordance with the provisions of the Act and Applicable Law. Upon such re-issue the person entitled to the Debentures shall have and shall be deemed always to have had, the same rights and priorities as if the Debentures had never been redeemed.

Where the Company has repurchased / redeemed any such Debentures, subject to the provisions the Companies Act and other applicable legal provisions, the Company shall have and shall be deemed always to have had the right to keep such Debentures alive for the purpose of reissue and in exercising such right, the Company shall have and shall be deemed always to have had the power to reissue such Debentures either by reissuing the same Debentures or by issuing other Debentures in their place in either case, at such a price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Company may deem fit.

(c) **Consolidation of ISINs**

So long as the terms and conditions of the existing securities of the Company (under the respective issues) in the International Securities Identification Number (ISIN) are not revised (i) otherwise than as may be required/permitted by regulations; or (ii) which results in breach of or violation of the regulations from time to time, which specifically precludes such revision, subject to applicable laws, the Company reserves the right/is entitled to add additional securities (for such additional amounts as may be issued by the Company from time to time) to the existing ISIN from time to time under such terms and conditions, which may / may not be different from the existing securities under the respective issues under the same ISIN. Such additional securities and their terms may be such as are permitted by regulations or not specifically precluded by regulations from time to time. Further, such additional securities may be issued from time to time at such issue price, either at par or at premium or at discount to arrive at the contracted effective yield from time to time.

The securities listed by the Company under the terms of the respective transaction documents (including any Debentures issued by the Company hereunder under the terms of the respective Supplemental Placement Memorandum) be redeemed before maturity date by the Company, as per the financial or other terms as may have been mutually agreed upon between the Company and the security holder (or in accordance with Paragraph 3 of this Schedule I in respect of an early redemption of any Debentures issued under any Supplemental Placement Memorandum). The said redemption maybe done either on a pro rata basis or by lot or by any other manner whatsoever, as the Company may deem fit.

In this regard, the Company shall be entitled to:

(i) add such additional securities (for such additional amounts as may be issued by the Company from time to time) to the existing ISIN from time to time under such terms and conditions, which may / may not be different from the terms of securities under the respective issues existing under the said ISIN.

(ii) select any of the listed securities in the ISIN for redemption as the Company may solely deem fit either by pro rata basis or by lot or by any other manner whatsoever, as the Company may deem fit, before maturity, from time to time.

Variation of Debenture Holder(s) rights

The rights, privileges and conditions attached to the Debenture(s) and this Shelf Placement Memorandum and the relevant Supplemental Placement Memorandum (s) may be varied, modified or abrogated in accordance with the Articles of Association of the Company, Debenture Trust Deed and the Act and with the consent of the Super Majority Debenture Holder(s). The rights, privileges and conditions attached to the Debentures of a particular Series, may be varied, modified or abrogated in accordance with the Article of Association of the Company, Debenture Trust Deed and the Act and with the consent of the Super Majority Debenture Holders of that Series of Debentures. Provided that nothing in such resolution shall be operative against the Company where such resolution modifies or varies the terms and conditions governing the Debenture(s) if the same are not acceptable to the Company.

Provided that the Debenture Trustee and the Issuer may agree to make any modifications in this Shelf Placement Memorandum or any Supplemental Placement Memorandum which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

Notices:

The Company agrees to send notice of all meetings of the Debenture Holders specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013 shall be applicable for such meeting. The notices, communications and writings to the Debenture Holder(s) required to be given by the Company shall be deemed to have been given if sent by registered post or through recognized overnight courier service or by hand delivery to the sole / first allottee or sole/first registered Debenture Holder as the case may be at its address registered with the Company. All notices, communications and writings to be given by the Debenture Holder(s) shall be sent by registered post or through recognized courier service or by hand delivery to the Company at its Registered Office or to such persons at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual receipt of the same.

Splitting:

Splitting of the Debentures is not applicable in the dematerialised mode form since the saleable lot is 1 (one)

Debenture.

Transfers:

The Debentures may be transferred to any person duly qualified to acquire such Debentures under the applicable laws.

Letters of Allotment

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 2 (Two) days from the Deemed Date of Allotment.

Succession:

In the event of demise of a Debenture Holder, the Company will recognize the executor or administrator of the demised Debenture Holder or the holder of succession certificate or other legal representative of the demised Debenture Holder as the registered holder of such Debentures, if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter and delivers a copy of the same to the Company. The Company may, in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debentures standing in the name of the demised Debenture Holder on production of sufficient documentary proof or indemnity. In case a person other than individual holds the Debentures, the rights in the Debentures shall vest with the successor acquiring interest therein, including liquidator or any such person appointed as per the Applicable Law.

SECTION 8: Declaration

The Company and each of the directors of the Company hereby confirm and declare that:

a. the Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Companies Act, 2013 and the rules made thereunder;

b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of Debentures, if applicable, is guaranteed by the Central Government;

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

I am authorized by the Board of Directors of the Company *vide* resolution dated January 24, 2022 read with the resolution of the banking and finance committee of the board of directors dated October 17, 2022, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Shelf Placement Memorandum has been suppressed or concealed and is as per the original records maintained by the Promoters subscribing to the Memorandum of Association and Articles of Association.

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

Date: 15th February 2023
Place: Mumbai

For Shriram Finance Limited

Authorised Signatory

ANNEXURE I – TRUSTEE CONSENT LETTER

CATALYST
Believe in yourself... Trust us!

CL/MUM/22-23/DEB/1437 **23-Jan-2023**

Shriram Finance Limited
Wockhardt Towers, Level-3,
West Wing, C-2, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400051

Dear Sir/Madam,

Consent to act as Trustee for Secured, Senior, Listed, Rated, Redeemable, Principal Protected, Non- Convertible Debentures and/or Market Linked Non-Convertible Debentures aggregating upto INR 5000 Crores to be issued by your Company.

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Secured, Senior, Listed, Rated, Redeemable, Principal Protected, Non-Convertible Debentures and/or Market Linked Non-convertible Debentures aggregating upto INR 5000 Crores to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

We hereby convey our acceptance to act as Debenture Trustees for the said issue Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to create the security within the timeline as per relevant Laws / Regulations and in the Offer Document / Information Memorandum / Disclosure Document and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non Convertible Securities) Regulations 2021, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,

For Catalyst Trusteeship Limited

Authorised Signatory

We accept the above terms

For Shriram Finance Limited

Authorised Signatory

NOTE: **As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.**

CATALYST TRUSTEESHIP LIMITED
Mumbai Office Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098 Tel +91 (022) 4922 0555 Fax +91 (022) 4922 0505
Regd. Office CDA House, Plot No.85, Bhusari Colony (Right), Paud Road, Pune-411 038 Tel +91 (020) 25280081 Fax +91 (020) 25280275
Delhi Office Office No.810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 Tel 11 4242 2970/72
CIN No. U74999PN1997PLC110262 Email cs@catrustee.com Website www.catalysttrustee.com
Pune | Mumbai | Bangalore | Delhi | Chennai

ANNEXURE IIA: DRAFT SUPPLEMENTAL PLACEMENT MEMORANDUM FOR NON-CONVERTIBLE DEBENTURES

SUPPLEMENTAL PLACEMENT MEMORANDUM FOR ISSUE OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS
DATE: [●]

Shriram Finance Limited
A Public Limited Company Incorporated under the Companies Act, 1956 (Registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)) and validly existing under the Companies Act, 2013
Registration Number: A-07-00459 issued by RBI **Date of Incorporation**: June 30, 1979 **Corporate Identification Number**: L65191TN1979PLC007874
Permanent Account Number: AAACS7018R **Place of Incorporation**: Chennai
Registered Office: Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600032 **Tel No:** +91 44 4852 4666 **Fax:** +91 44 4852 5666
Corporate Office: Wockhardt Towers, Level - 3, West Wing, C-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
Contact Person: Mr. Parag Sharma – Joint Managing Director & CFO; **Tel**: 91 22 40959595 **E-mail**: parag@shriramfinance.in
CFO: Mr. Parag Sharma – Joint Managing Director & CFO; **Tel**: 91 22 40959595 **E-mail**: parag@shriramfinance.in
Compliance Officer/Company Secretary: Mr. U. Balasundararao, **Tel. No**.: +022-40959595/76, **Email**: balasundar@shriramfinance.in

Supplemental Placement Memorandum issued in conformity with the Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued vide circular number SEBI/LAD-NRO/GN/2021/39 dated August 09, 2021, as amended from time to time, the Operational Circular issued by Securities Exchange Board of India vide circular number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time, and the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time.

ISSUE OF UPTO [●] ([●]) SENIOR SECURED, RATED, LISTED, REDEEMABLE, TAXABLE NON-CONVERTIBLE DEBENTURES, OF THE FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH ONLY) (or any higher amount as otherwise specified) EACH, AS THE CASE MAY BE, FOR CASH, AGGREGATING UPTO RS. [●]/- (RUPEES [●] ONLY) ON PRIVATE PLACEMENT BASIS ("[Name of the Debentures] NON-CONVERTIBLE DEBENTURES") ISSUED UNDER THE SHELF PLACEMENT MEMORANDUM DATED [●], 2023 ("SHELF PLACEMENT MEMORANDUM") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME.

This supplemental placement memorandum dated **[●]** ("**Supplemental Placement Memorandum**") is issued in terms of and pursuant to the Shelf Placement Memorandum dated February 8, 2023. All the terms, conditions, information and stipulations contained in the Shelf Placement Memorandum, unless the context states otherwise or unless specifically stated otherwise, are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same to the extent applicable. This Supplemental Placement Memorandum must be read in conjunction with the Shelf Placement Memorandum and the Private Placement Offer cum Application Letter.

This Supplemental Placement Memorandum contains details of this Tranche 1 Debentures and any material changes in the information provided in the Shelf Placement Memorandum, as set out herein. Accordingly, set out below are the updated particulars / changes in the particulars set out in the Shelf Placement Memorandum, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the Shelf Placement Memorandum. All other particulars appearing in the Shelf Placement Memorandum shall remain unchanged. In case of any inconsistency between the terms of this Supplemental Placement Memorandum and the Shelf Placement Memorandum and/or the terms of this Supplemental Placement Memorandum and/or any other Transaction Document, the terms as set out in this Supplemental Placement Memorandum shall prevail.

Section I: Definitions

Unless the context otherwise indicates or requires, capitalised terms used in this Supplemental Placement Memorandum shall have the meaning as set out in table below. Capitalised terms used in this Supplemental Placement Memorandum and not defined shall have the meaning as has been assigned to the term in Shelf Placement Memorandum.

Section II

PART A: SUMMARY TERM SHEET

Series/Tranche [●]

TRANCHE 1 DEBENTURES

Security Name	[●]
Series/Tranche	[●]
Issuer	Shriram Finance Limited
Type of Instrument	Senior, secured, rated, listed, redeemable, taxable non- convertible debentures (NCD)
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	Please refer paragraph "Who can apply" of the Shelf Placement Memorandum .
Listing (Name of stock exchange(s) where it will be listed and timeline for listing)	The Tranche 1 Debentures are proposed to be listed on WDM segment of BSE Limited. BSE has given its in-principle approval to list the Tranche 1 Debentures to be issued and allotted in terms of the Shelf Placement Memorandum vide its letter dated 6th February, 2023. In case of delay in listing of the Tranche 1 Debentures beyond 3 days from the from the date of closure of issue, the Company will: (A) pay penal interest of 1% p.a. over the Coupon Rate from the Deemed Date of Allotment and till the listing of the Tranche 1 Debentures, to the investor; and (B) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from the Stock Exchange.
Rating of the Instrument	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Issue Size	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Series/Tranche Size	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Minimum Application and in multiples of thereafter	10 (Ten) Debentures and in multiples of 1 (One) Debentures thereafter
Option to retain oversubscription (Amount)	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Objects of the Issue	The funds raised through the Issue will be utilized as per the section "Objects & Utilization of the Issue Proceeds" stipulated in the Shelf Placement Memorandum
Details of the utilization of the Proceeds	The funds raised through the Issue will be utilized as per the section "Objects & Utilization of the Issue Proceeds" stipulated in the Shelf Placement Memorandum.
Coupon Rate	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures..
Spread	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Step Up/Step Down Coupon Rate	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Coupon Payment Frequency	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Coupon payment dates	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.

Coupon Type	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Coupon Reset Dates	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Day Count Basis	Actual/ Actual i.e. The interest shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days. In case leap year, if February 29 fall during the tenor of a security, then the number of days shall be reckoned as 366 days for the whole one year period.
Interest on Application Money	Not Applicable.
Default Interest Rate	In the event of non-compliance of the terms of the Debenture Trust Deed and other Transaction Documents, including occurrence of any Event of Default and non-payment of principal amount and Coupon in relation to the Debentures, an additional interest at the rate of 2% per annum over the Coupon Rate will be charged for the defaulting period. In case of delay in listing of the Debentures beyond 3 days from the date of closure of the Issue, the Company will: (A) pay penal interest of 1% p.a. over the Coupon Rate from the deemed date of allotment till the listing of the Debentures, to the investor; and (B) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from the Stock Exchange.
Tenor	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Issue Price	Rs. 1,00,000/- (Rupees One Lakh only) (or any higher amount as otherwise specified), as the case maybe, per Debenture
Issue Price (Further Issue 1)	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Discount/Premium at which security is issued and the effective yield as a result of such discount.	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Redemption Date	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Redemption Amount	Principal amount along with accrued Coupon
Redemption Premium / Discount	N.A
Put Option Date	N.A
Put Option Price	N.A
Call Option Date	N.A
Call Option Price	N.A
Put Notification Time	N.A
Call Notification Time	N.A
Face Value	Rs. 1,00,000/- (Rupees One Lakh only) (or any higher amount as otherwise specified), as the case maybe, per Debenture
Series Issue Timing 1. Series Issue Opening Date 2.Series Issue Closing Date 3. Series Pay-in Date 4. Series Deemed Date of Allotment 5. Dare of earliest closing of the issue	 [●] [●] [●] [●] [●]
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Allotted Quantity/ Current Issuance	
Settlement mode of the Instrument	Payment of interest and principal will be made by way of Cheque/s DD's

	/Electronic mode. The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted on the Electronic Book Platform) as registered with the Electronic Book Provider in the manner provided in the Electronic Book Mechanism Guidelines. Please refer to Section 6 of the Placement Memorandum for detailed Application Process.
Manner of Allotment	Uniform Yield (Fixed Rate Issue)
Depository(ies)	NSDL / CDSL
Disclosure of Interest/ redemption dates	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Business Day / Working Days	Any day of the week on which the money market is functioning in Mumbai, excluding: (a) non-working Saturdays, Sundays; (b) any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Maharashtra; (c) any other day on which banks are closed for customer business in Mumbai, India; and (d) any day on which payments cannot be made on account of failure of RBI's system for RTGS/NEFT payment. Explanation: For the purpose of this definition, in respect of - (i) Issue period: Working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the offer document are open for business; (ii) the time period between the bid/ issue closing date and the listing of the Debentures on the stock exchanges: working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by the Board.
Business Day Convention	If any Interest payment date/ coupon payment date (other than the Redemption Date) falls on a day which is not a Business Day, the payment to be made on the said day will be made on the following Business Day. If any principal payment date falls on a day which is not a Business Day, the payment will be made on the previous Business Day. However, on account of above, there would be no change in the dates of the future coupon payments and the same would be as per the schedule as set out in the Supplemental Placement Memorandum Further, if the Redemption Date/ Maturity Date falls on a day that is not a Business Day, the Redemption Amount shall be paid on the immediately preceding Business Day, along with Coupon (if any) accrued on the Debentures until but excluding the date of such payment. Further, in case of failure of RBI's system for RTGS/NEFT payment, the same will be made on the next Business Day. The Company will not be liable to pay any additional interest on account of same. (The Business Day Convention will be as per the Operational Circular) issued by Securities Exchange Board of India vide circular number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time.
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due towards payment of Interest and Maturity on any due date, which shall be the date falling 15 (Fifteen) calendar days prior to any due date.
Description regarding Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum	A first ranking exclusive charge by way of hypothecation over certain identified pool of assets comprising of specific receivables and book debts on such terms and conditions as set out in the Supplemental Deed of Hypothecation read with the Deed of Hypothecation.

security cover, revaluation, replacement of security interest to the Debenture Holders over and above the Coupon rate as specified in the Debenture Trust and Disclosed in the Shelf Placement Memorandum and the Supplemental Placement Memorandum) and Ranking of Security.	Please note that pursuant to the terms of the Debenture Trust Deed, if the Company makes any issuance of non- convertible debentures within the said Overall Limit and is required to create charge in relation to the same, it shall execute the relevant Supplemental Deed of Hypothecation for providing charge in relation to such new issuance. The current issue of Debentures shall be secured by the security created in terms of the Supplemental MOH dated [•]. Please note that the security interest created in relation to the Debentures shall be held on pari passu basis with the other lenders/ debenture holders who have subscribed to Debentures issued pursuant to this Shelf Placement Memorandum and have been secured pursuant to the abovementioned Supplemental MOH. Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc. as applicable or independently verifiable by the debenture trustee. The Trustee shall exercise independent due diligence to ensure that the Security is free from any encumbrances in accordance with the applicable circulars / notifications issued by the SEBI including under the provisions of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended from time to time), and as also set out in detail under the terms of the Transaction Documents. The Issuer is not required to obtain any prior consent from its existing lenders for creation of the aforesaid security interest in favour of the Debenture Trustee for the benefit of the Debenture Holders.
Transaction Documents	Shelf Placement Memorandum, this Supplemental Placement Memorandum, Debenture Trust Deed, Debenture Trustee Agreement and any other document that may be designated by the Debenture Trustee as a Transaction Document.
Conditions Precedent to Disbursement	Please refer to the Shelf Placement Memorandum
Condition Subsequent to Disbursement	Please refer to the Shelf Placement Memorandum
Events of Default (including manner of voting/ conditions of joining inter creditor agreement)	Please refer to Annexure VI of the Shelf Placement Memorandum
Consequences of Event of Default	Please refer to Annexure VI of the Shelf Placement Memorandum
Provisions related to Cross Default Clause	Please refer to Annexure VI of the Shelf Placement Memorandum
All covenants of the issue (including side letters, accelerated payment clause, etc.)	Please refer to Annexure VI of the Shelf Placement Memorandum
Creation of recovery expense fund	The Company shall create and maintain a recovery expense fund as per the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, and other Applicable Law, as amended from time to time, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by SEBI or any other regulator under the Applicable Law in respect of creation of the recovery expense fund, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Trustee
Conditions for breach of covenants (as	Please refer to Annexure VI of the Shelf Placement Memorandum

specified in the Debenture Trust Deed)	
Risk Factors pertaining to the Issue	Please refer to **Section 2** of the Shelf Placement Memorandum.
R&T Agent	Integrated Registry Management Services (P) Ltd
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders as customary for transaction of a similar nature and size and as executed under the appropriate Transaction Documents For further details regarding the roles and responsibilities of the Debenture Trustee, please refer the **Annexure VI** of the Shelf Placement Memorandum
Illustration of Debenture Cashflows	As per Annexure I to this Supplemental Placement Memorandum.
Governing Law and Jurisdiction	As set out in the Shelf Placement Memorandum.
Further Issuance Compliance	Company reserves the right to make multiple issuances under the same ISIN with reference to the Operational Circular. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with the Operational Circular. Provided that, the Company shall be entitled to make further issue(s) of debentures, raise further loans of advances and/or avail further deferred payment guarantees or other financial facilities from time to time from such persons/banks/financial institutions or body corporate/or any other agency on such terms and conditions as the Company may think appropriate in any manner having such ranking in priority, pari passu or otherwise and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without having any need to obtain the consent of, or intimation to, the Debenture holders or the Debentures Trustees provided the Security Cover in relation to the Debentures is maintained at all times in accordance with the terms of the Transaction Documents. Notwithstanding anything contained in this sub-clause, the Company shall not avail any Indebtedness other than the ordinary course of its business. However, the Company shall not create further charge on the Hypothecated Assets without prior consent of the Debenture Trustee/debenture holders.
Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s):	Debenture Trustee Agreement (DTA) has been executed as per required regulations before opening of Issue. Service charges of Debenture Trustee are mentioned in the consent letter dated January 23, 2023. Please refer to **Annexure I** of the Shelf Placement Memorandum for a copy of the Consent Letter mentioning the acceptance fees and service charge of the Debenture Trustee. Please refer to **Annexure VI** of the Shelf Placement Memorandum for details of terms of appointment of debenture trustee a captured in the Debenture Trustee Agreement.
Due Diligence by Debenture Trustee	As set out in **Annexure VI** of the Shelf Placement Memorandum
Due diligence certificate	The due diligence certificate provided by the Debenture Trustee has been attached hereto and marked as **Annexure III**.
Bid Opening Date	[•]
Bid Closing Date	[•]
Minimum Bid Lot	Rs. 1,00,00,000/- (Rupees One Crore Only) and in multiples of Rs. 1,00,000/- (Rupees One Lakh Only) (or any higher amount as otherwise specified) thereafter.
Manner of bidding in the Issue	Closed bidding
Manner of allotment in the Issue	Through Indian Clearing Corporation Limited (ICCL) and BSE.
Manner of settlement in the Issue	As per the process prescribed by the Electronic Book Mechanism Guidelines
Settlement Cycle	T + 1, where T refers to the date of Bid Opening Date/ Issue Opening Date

Please note that while the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of offer Transaction Documents, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained."

For Shriram Finance Limited,

_____

Authorised Signatory

Date: [●]

PART B: Disclosures under Form PAS -4 pursuant to Section 42 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Sub-Part A
PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

PARTICULARS OF THE OFFER

Price at which the security is being offered including the premium, if any, along with justification of the price	Please refer to the Part A of Section II of this Supplemental Placement Memorandum
The Proposed time within which the allotment shall be completed.	Please refer to the Part A of Section II of this Supplemental Placement Memorandum
Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment	Please refer to the Part A of Section II of this Supplemental Placement Memorandum
Proposed time schedule for which the Private placement cum application letter is Valid.	Please refer to the Part A of Section II of this Supplemental Placement Memorandum

Sub-Part B

Applicant Details

1. Name:
2. Father's Name: Not Applicable
3. Complete address including flat/ house number/ street, locality, pin code:
4. Phone number, if any:
5. Email ID, if any:
6. PAN:
7. Bank account details:
8. Demat Account Details:
9. Tick whichever is applicable:-

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

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

Signature of the applicant

_____

Initial of the officer of the company designated to keep the record

ANNEXURE I - ILLUSTRATION OF BOND CASH FLOWS ARISING FROM BONDS BEING ISSUED PURSUANT TO THIS SUPPLEMENTAL MEMORANDUM

Company	Shriram Finance Limited
Face Value (per security)	Rs.1,00,000/- per instrument
Issue Price (Further Issue 1)	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Date of Allotment	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Date of Redemption	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Redemption Amount	Rs.1,00,000/- per debenture
Tenor (Original Issue)	10 (ten) years from the Deemed Date of Allotment.
Tenor (Further Issue 1) **Coupon Rate**	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Frequency of the interest payment with specified dates	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Day Count Convention	Actual/Actual

*Coupon payment dates falling due on a Saturday, Sunday have been adjusted according to Business Days convention. Other holidays except as mentioned herein have not been considered.

Illustration cashflows

Sr. No.	Period	Date of Payment	Principal Outstanding	Cashflow	Principal Repayment	Interest Payment	Total Payment
1	Year 1	October 18, 2023	10,00,000.00	Interest	Nil	85,000.00	85,000.00
2	Year 2	October 18, 2024	10,00,000.00	Interest	Nil	85,000.00	85,000.00
3	Year 3	October 18, 2025	10,00,000.00	Interest	Nil	85,000.00	85,000.00
4	Year 4	October 18, 2026	10,00,000.00	Interest	Nil	85,000.00	85,000.00
5	Year 5	October 18, 2027	10,00,000.00	Interest	Nil	85,000.00	85,000.00
6	Year 6	October 18, 2028	10,00,000.00	Interest	Nil	85,000.00	85,000.00
7	Year 7	October 18, 2029	10,00,000.00	Interest	Nil	85,000.00	85,000.00
8	Year 8	October 18, 2030	10,00,000.00	Interest	Nil	85,000.00	85,000.00
9	Year 9	October 18, 2031	10,00,000.00	Interest	Nil	85,000.00	85,000.00

10	Year 10	October 18, 2032	10,00,000.00	Interest + Principal	10,00,000.00	85,000.00	10, 85,000.00

Please refer to the Business Day Convention as referred above in the Summary Term sheet.

Payment Instructions

This form should be submitted along with cheque(s)/draft(s) favouring "Shriram Finance Limited", crossed "Account Payee Only". The entire amount of Rs. 1,00,000/- (Rupees one Lakh only) (or any higher amount as otherwise specified) per Debenture is payable along with the making of an application. Applicants can alternatively remit the application amount through RTGS on Pay-in Date. The RTGS details of the Issuer are as under:

Electronic Book Platform	BSE	BSE	BSE
Name of Bank	ICICI Bank Limited	Yes Bank Limited	HDFC Bank Limited
IFSC Code	ICIC0000106	YESB0CMSNOC	HDFC0000060
Account number	ICCLEB	ICCLEB	ICCLEB
Name of beneficiary	Indian Clearing Corporation Limited	Indian Clearing Corporation Limited	Indian Clearing Corporation Limited

ANNEXURE IIB: DRAFT SUPPLEMENTAL PLACEMENT MEMORANDUM FOR MARKET LINKED DEBENTURES

SHRIRAM FINANCE LIMITED
(Formerly Shriram Transport Finance Company Limited)

A Public Limited Company Incorporated under the Companies Act, 1956 (Registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)) and validly existing under the Companies Act, 2013
Registration Number: A-07-00459 issued by RBI **Date of Incorporation**: June 30, 1979
Corporate Identification Number: L65191TN1979PLC007874
Permanent Account Number: AAACS7018R **Place of Incorporation**: Chennai
Registered Office: Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600032
Tel No: +91 44 4852 4666 **Fax:** +91 44 4852 5666
Corporate Office: Wockhardt Towers, Level - 3, West Wing, C-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
Contact Person: Mr. Parag Sharma – Joint Managing Director & CFO; Tel: 91 22 40959595 **E-mail**: parag@shriramfinance.in
CFO: Mr. Parag Sharma – Joint Managing Director & CFO; Tel: 91 22 40959595 **E-mail**: parag@shriramfinance.in
Compliance Officer/Company Secretary: Mr. U. Balasundararao, Tel. No.: +91-22-4095 9595, **Email**: BALASUNDAR@shriramfinance.in

Supplemental Placement Memorandum issued in conformity with the Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued vide circular number SEBI/LAD-NRO/GN/2021/39 dated August 09, 2021, as amended from time to time, the Operational Circular issued by Securities Exchange Board of India vide circular number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time, and the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time.

ISSUE OF UPTO 7500/- (Seven Thousand Five Hundred) SENIOR, SECURED, RATED, LISTED, REDEEMABLE, TAXABLE PRINCIPAL PROTECTED MARKET LINKED (PP-MLD) NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH ONLY) (OR ANY HIGHER AMOUNT AS OTHERWISE SPECIFIED) EACH, FOR CASH, AND AGGREGATING UPTO RS. 75,00,00,000/- (RUPEES SEVENTY FIVE CRORES ONLY) ON PRIVATE PLACEMENT BASIS, WITH AN OPTION TO RETAIN OVERSUBSCRIPTION FOR AN ADDITIONAL AMOUNT OF 25,00,00,000/- (Rupees Twenty Five Crores Only) ("TRANCHE 1 MARKET LINKED DEBENTURES") IN TERMS OF THE SHELF PLACMENT MEMORANDUM DATED [●] ("SHELF PLACEMENT MEMORANDUM") AS AMENDED / SUPPLEMENTED TIME TO TIME.

The Tranche 1 Market Linked Debentures are subject to model risk i.e. the securities created based on complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models. The principal amount is subject to the credit risk of the Issuer whereby the investors may or may not recover all or part of the funds in case of default by the Issuer.

This supplemental placement memorandum ("**Supplemental Placement Memorandum**") is issued in terms of and pursuant to the Shelf Placement Memorandum dated [●], 2023. All the terms, conditions, information and stipulations contained in the Shelf Placement Memorandum, unless the context states otherwise or unless specifically stated otherwise, are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same to the extent applicable. This Supplemental Placement Memorandum must be read in conjunction with the Shelf Placement Memorandum.

This Supplemental Placement Memorandum contains details of this Tranche 1 Market Linked Debentures and any material changes in the information provided in the Shelf Placement Memorandum, as set out herein. Accordingly, set out in Section [●] are the updated particulars / changes in the particulars set out in the Shelf Placement Memorandum, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the Shelf Placement Memorandum. All other particulars appearing in the Shelf Placement Memorandum shall remain unchanged.

In case of any inconsistency between the terms of this Supplemental Placement Memorandum and the Shelf Placement Memorandum and/or the terms of this Supplemental Placement Memorandum and/or any other Transaction Document, the terms as set out in this Supplemental Placement Memorandum shall prevail.

SECTION I: DEFINITIONS

Unless the context otherwise indicates or requires, capitalised terms used in this Supplemental Placement Memorandum shall have the meaning as set out in table below. Capitalised terms used in this Supplemental Placement Memorandum and not defined shall have the meaning as has been assigned to the term in Shelf Placement Memorandum.

Tranche [●] Debentures	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Deemed Date of Allotment/ Allotment Date/ Date of Allotment	means the date on which the Tranche 1 Market Linked Debentures issued in terms of this Supplemental Placement Memorandum read with the Shelf Placement Memorandum are deemed to be allotted to the Debenture Holders.
Maturity Date/ Redemption Date	means the scheduled date on which repayment of principal amount and all other amounts due in respect of the Tranche 1 Market Linked Debentures issued in terms of this Supplemental Placement Memorandum read with the Shelf Placement Memorandum will be made.
Initial Fixing Level of Reference Index	Last traded closing value/price of the Reference Index as on the Initial Fixing Date.[●]
Final Fixing Level of Reference Index	Last traded closing value/price of the Reference Index on the Final Fixing Date. [●]
Underlying Performance	(Final Fixing Level of Reference Index / Initial Fixing Level of Reference Index) * 100 [●]
Reference Index	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.If the said Reference Index is discontinued or ceases to be available, then Reference Index shall be such index as may be agreed to by the Debenture Trustee (acting for and on behalf and on the instructions of the Debenture Holders).[●]
XIRR	Means function of Microsoft Excel, a spreadsheet application distributed by the Microsoft Corporation.[●]

SECTION II: NOTICE TO THE INVESTORS AND DISCLAIMER

Disclaimer of Distributor

It is advised that the Issuer has exercised self-due-diligence to ensure complete compliance of prescribed disclosure norms in this Supplemental Placement Memorandum. The role of the Distributor in the assignment is confined to marketing and placement of the Tranche 1 Market Linked Debentures on the basis of this Supplemental Placement Memorandum and the Shelf Placement Memorandum as prepared by the Issuer. The Distributor has neither scrutinized/ vetted nor has it done any due-diligence for verification of the contents of this Supplemental Placement Memorandum. The Distributor shall use this document for the purpose of soliciting subscription to eligible investors in the Tranche 1 Market Linked Debentures to be issued by the Issuer on private placement basis. It is to be distinctly understood that the aforesaid use of this document by the Distributor should not in any way be deemed or construed that the document has been prepared, cleared, approved or vetted by the Distributor; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme of the Issuer. The Distributor or any of its directors, employees, affiliates or representatives does not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this document.

Force Majeure

Notwithstanding anything herein contained the Issuer shall not bear responsibility or liability for any losses arising out of any delay in or interruptions of performance of the exchange with regard to the Reference Index or the Issuer's obligations under this Supplemental Placement Memorandum due to any Force Majeure Event, act of God, act of governmental authority, act of the public enemy or due to war, the outbreak or escalation of hostilities, riot, fire, flood, civil commotion, insurrection, labour difficulty (including, without limitation, any strike, or other work stoppage or slow down), severe or adverse weather conditions, communications line failure, or other similar cause beyond the reasonable control of the Issuer.

For this purpose, Force Majeure shall mean means any war, strike, lock-out, national disaster, act of terrorism, an act of Issuer occurring after such obligation is entered into, or such obligation has become illegal or impossible in whole or in part, or any breakdown, failure or malfunction beyond the control of the Issuer of any telecommunication or computer system including, without limitation unavailability of any communication system, systems outages breakdowns, breach or virus in the processes or payment and delivery mechanism, sabotage, fire, flood, explosion, acts of God, civil commotion, strikes or industrial action of any kind, riots, insurrection, acts of government, computer hacking unauthorised access to computer data and storage devices, computer crashes, etc.

Disclosures and Risks relating to the Tranche 1 Market Linked Debentures

Please refer to **Annexure I** setting out the detailed scenario analysis/ valuation matrix showing value of the Market Linked Debentures under different market conditions along with graphic representation.

Disclaimer of Valuation Agent

The Issuer has appointed a Valuation Agent. Any valuations as may be provided by the Valuation Agent, on the website of the Issuer and the Valuation Agent or otherwise, do not represent the actual price of the Market Linked Debentures that may be received upon sale or redemption of Market Linked Debentures. They merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The valuation will reflect the independent views of the Valuation Agent. It is expressly stated that the valuation will not be the view of the Issuer or its affiliates. The Issuer will not review the valuation and will not be responsible for the accuracy of the valuations. The valuations that will be provided by the Valuation Agent and made available on the website of the Issuer and the Valuation Agent, at a frequency of not less than once a calendar week, and the said valuation will not represent the actual price that may be received upon sale or redemption of the Market Linked Debentures. It will merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The valuations that will be provided by the Valuation Agent may include the use of proprietary models (that are different from the proprietary models used by the Issuer and/or the Valuation agent) and consequently, valuations provided by other parties (including the Issuer and/or the Valuation agent) may be significantly different. The Valuation Agency will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency and the Issuer.

Security may be insufficient to redeem the Tranche 1 Market Linked Debentures

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Tranche 1 Market Linked Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents,

and other related documents. It is the duty of the Debenture Trustee to monitor that the security/ asset cover is maintained, however, the Debenture Holder(s)' recovery in relation to the Tranche 1 Market Linked Debentures will be subject to shall depend on the market scenario prevalent at the time of enforcement of the security. The value realised from the enforcement of the Security may be insufficient to redeem the Tranche 1 Market Linked Debentures.

SECTION III

PART A: SUMMARY TERM SHEET

TRANCHE [●] MARKET LINKED DEBENTURES

Security Name	[●]
Series/Tranche	Tranche 1 Market Linked Debentures
Issuer/Company	Shriram Finance Limited
Type of Instrument	Senior, Secured, Rated, Listed, Redeemable, Principal Protected Market Linked Debentures.
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	Please refer Clause "Who can apply" of this Shelf Placement Memorandum.
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	The Tranche 1 Market Linked Debentures are proposed to be listed on WDM segment of BSE. BSE has given its in-principle approval to list the Tranche 1 Market Linked Debentures to be issued and allotted in terms of the Shelf Placement Memorandum vide its letter dated [●]. Please refer to Annexure III of the Shelf Placement Memorandum for the in-principle approval given by 6th February 2023. In case of delay in listing of the Tranche [●] Market Linked Debentures beyond 3 days from the from the date of closure of issue, the Company will: (A) pay penal interest of 1% p.a. over the Coupon Rate from the Deemed Date of Allotment and till the listing of the Tranche [●] Market Linked Debentures, to the investor; and (B) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from the Stock Exchange.
Rating of the Instrument	The Tranche 1 Market Linked Debentures have been rated 'CRISIL PP-MLD AA+r/ Stable' by CRISIL Ratings. Please refer to the Shelf Placement Memorandum for the rating letters issued by the Rating Agencies.
Shelf Issue Size	Upto 5,00,000 (Five Lakhs) senior secured rated listed principal protected market linked redeemable non-convertible debentures, for cash, at par, bearing face value of Rs. 1,00,000/- (Rupees One Lakh only) (or any higher amount as otherwise specified) and aggregating upto Rs. 5000 crores (Rupees Five Thousand Crores), in one or more Series/ Tranches.
Tranche [●] Issue Size	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Minimum Subscription	10 debentures and in multiples of 1 thereafter.
ISIN	[●]
Option to retain oversubscription (Amount)	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Objects of the Issue	100% of the Proceeds of issue will be utilized for onward lending, refinancing of existing debt and other general purposes of the company as refer clause "Objects & Utilization of the Issue Proceeds" of the Shelf Placement Memorandum.
Details of the utilization of the Proceeds	Please refer to the disclosure above on 'Objects of the Issue'
Coupon Rate/ Redemption Premium/ Interest	[●]
Step Up/Step Down Coupon Rate	Not applicable.
Coupon Payment Frequency	Coupon (if any) shall be payable at maturity, on the Redemption Date.[●]
Coupon payment dates	Coupon (if any) shall be payable at maturity, on the Redemption Date. Please refer to Part A

	of **Annexure I** for Illustration of cashflows.
Coupon Type	Coupon linked to performance of Reference Index
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not applicable
Day Count Basis	Actual/ Actual The Coupon shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days. In case leap year, if February 29 fall during the tenor of a security, then the number of days shall be reckoned as 366 days for the whole one year period.
Interest on Application Money	As stipulated in the Shelf Placement Memorandum.
Default Interest Rate	In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for Debentures, additional interest of at the rate of 2% p.a. over the coupon rate shall be payable by the issuer for the defaulting period. In case of delay in listing of Tranche [●] Debentures beyond 3 days from the date of closure of issue, the Company will: (A) pay penal interest of 1% p.a. over the Coupon Rate from the Deemed Date of Allotment and till the listing of the Tranche 6 Debentures, to the investor; and (B) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from the Stock Exchange. Please also refer to the Summary Term Sheet in the Shelf Placement Memorandum for other applicable default interest clauses.
Tenor	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Redemption Date	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Redemption Amount	Rs. 1,00,000/- per Market Linked Debenture along with the applicable Coupon and any other amounts payable on the Market Linked Debenture in accordance with this Supplemental Placement Memorandum read with Shelf Placement Memorandum and the Debenture Trust Deed.
Redemption Premium / Discount	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Initial Fixing Date	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Final Fixing Date	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Issue Price	Rs.1,00,000/- (Rupees One Lakh) (or any higher amount as otherwise specified) per Market Linked Debenture
Past issuance history under the current ISIN	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Further Issuance 2 Price	[●]
Discount at which security is issued and the effective yield as a result of such discount.	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Put option Date	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Put option Price	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Call Option Date	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Call Option Price	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Put Notification Time	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Call Notification Time	Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures.
Face Value	Rs.1,00,000/- (Rupees One Lakh) (or any higher amount as otherwise specified) per Market

	Linked Debenture
Minimum Application and in multiples of thereafter	As set out in the Shelf Placement Memorandum
Series Issue Timing 1. Series Issue Opening Date 2. Series Issue Closing Date 3. Series Pay-in Date 4. Series Deemed Date of Allotment 5.Date of earliest closing of the Issue	 [●] [●] [●] [●]
Allotted Quantity / Current Issuance	[●] Shall be disclosed in the Term Sheet/ Supplemental Placement Memorandum to be issued in relation to each tranche/ series of Debentures
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	NEFT / RTGS
Delay in execution of Debenture Trust Deed	The Issuer and the Debenture Trustee shall execute the Trust Deed within such timelines as may be specified by the Board. Where an Issuer fails to execute the Trust Deed within the period specified, without prejudice to any liability arising on account of violation of the provisions of the Companies Act, 2013 and SEBI (Issue and Listing of Non-convertible Securities), 2021, the Issuer shall also pay interest of at least 2% (two percent) per annum or such other rate, as specified by the Board to the holder of debt securities, over and above the agreed Coupon Rate, till the execution of the Trust Deed.
Depository	National Securities Depository Limited and/or Central Depository Services Limited
Record Date	15 (Five) days prior to each Coupon Payment / Put Option Date / Call Option Date / Redemption date
Disclosure of Redemption Dates	[●]
All covenants of the issue (including side letters, accelerated payment clause, etc.)	As set out in Annexure VI of the Shelf Placement Memorandum.
Description regarding Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the Debenture Holders over and above the Coupon rate as specified in the Debenture Trust and Disclosed in the Shelf Placement Memorandum and the Supplemental Placement Memorandum).	A first ranking exclusive charge by way of hypothecation over certain identified pool of assets comprising of specific receivables and book debts on such terms and conditions as set out in the Supplemental Deed of Hypothecation read with the Deed of Hypothecation. Please note that pursuant to the terms of the Debenture Trust Deed, if the Company makes any issuance of non- convertible debentures within the said Overall Limit and is required to create charge in relation to the same, it shall execute the relevant Supplemental Deed of Hypothecation for providing charge in relation to such new issuance. The current issue of Tranche 1 Debentures shall be/ has been secured by the security created in terms of the Supplemental MOH dated [●]. Please note that the security interest created in relation to the Tranche [●].Debentures shall be held on pari passu basis with the other lenders/ debenture holders who have subscribed to Debentures issued under the Overall Limit and have been secured pursuant to the abovementioned Supplemental MOH. Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc. as applicable or independently verifiable by the debenture trustee. The Trustee shall exercise independent due diligence to ensure that the Security is free from any encumbrances in accordance with the applicable circulars / notifications issued by the

	SEBI including under the provisions of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended from time to time), and as also set out in detail under the terms of the Transaction Documents. The Issuer is not required to obtain any prior consent from its existing lenders for creation of the aforesaid security interest in favour of the Debenture Trustee for the benefit of the Debenture Holders.
Transaction Documents	Please refer to the Shelf Placement Memorandum for the list of transaction documents.
Conditions Precedent to Disbursement	Please refer to Shelf Placement Memorandum for the same.
Condition Subsequent to Disbursement	The letter of allotment for debentures will be credited in dematerialized form within 2 (Two) days from the Deemed Date of Allotment. The Company shall within a period of 15 (Fifteen) days from the Deemed Date of Allotment file return of allotment with the registrar of companies in relation to the Debentures. The Company shall ensure that the Debentures are listed on the stock exchanges within a period of 3 (Three) days from the Deemed Date of Allotment
Events of Default (including manner of voting/ conditions of joining Inter Creditor Agreement)	Please refer to **Annexure VI** of the Shelf Placement Memorandum
Creation of recovery expense fund	The Company shall create and maintain a recovery expense fund in the manner as specified in the SEBI Circular dated October 22, 2020 vide reference no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 and as may be supplemented or amended from time to time, and inform the Debenture Trustee about the same. The recovery expense fund may be utilized by the Debenture Trustee upon occurrence of an Event of Default, for taking appropriate legal actions to enforce the Security in accordance with the relevant SEBI circulars.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Please refer to **Annexure VI** of the Shelf Placement Memorandum
R&T Agent	Integrated Registry Management Services (P) Ltd
Provisions related to Cross Default Clause	Please refer to **Annexure VI** of the Shelf Placement Memorandum
Further Issuance Compliance	Company reserves the right to make multiple issuance under the same ISIN with reference to the Operational Circular. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with Operational Circular
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders as customary for transaction of a similar nature and size and as executed under the appropriate Transaction Documents Please refer to Annexure VI of the Shelf Placement Memorandum for other key terms of the role and responsibility of Debenture Trustee.
Risk Factors pertaining to the Issue	As set out in in Section 2 of the Shelf Placement Memorandum
Governing Law and Jurisdiction	Please refer to Shelf Placement Memorandum for the same.
Holiday convention/ Business Day Convention	If any Interest payment date/ coupon payment date (other than the Redemption Date) falls on a day which is not a Business Day, the payment to be made on the said day will be made on the following Business Day. If any principal payment date falls on a day which is not a Business Day, the payment will be made on the previous Business Day. However, on account of above, there would be no change in the dates of the future coupon payments and the same would be as per the schedule as set out in the Supplemental Placement Memorandum. Further, if the Redemption Date/ Maturity Date falls on a day that is not a Business Day, the Redemption Amount shall be paid on the immediately preceding Business Day, along with Coupon (if any) accrued on the Market Linked Debentures until but excluding the date of such

	payment. Further, in case of failure of RBI's system for RTGS/NEFT payment, the same will be made on the next Business Day. The Company will not be liable to pay any additional interest on account of same. The Business Day Convention shall be in accordance with the SEBI NCS Regulations and the Operational Circular.
Valuation Agent	CRISIL Limited, having its office at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400076
Valuation Frequency and Publication	The Valuation Agency will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency and the Issuer. The latest and historical valuations for these Market Linked Debentures / NCDs will be published on the website of the Issuer and the Valuation Agent. Upon request by any Debenture/NCD Holder for the valuation of these Market Linked Debentures/NCDs, the Issuer shall provide them with the latest valuation.
Valuation Agency Fees	The fees payable to the Valuation Agent shall be borne solely by the Issuer and the same shall not exceed 0.04% (Zero Decimal Point Zero Four) on the face value of the outstanding Debentures
Distributor	[●]
Distributor Fee	[●]
Further Issuance Compliance	Company reserve the right to make multiple issuance under the same ISIN with reference to SEBI circular CIR/IMD/DF-1/67/2017 dated 30th June 2017. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with SEBI circular CIR/IMD/DF-1/67/2017 dated June 30, 2017.
Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s):	Debenture Trustee Appointment Agreement (DTAA) dated 6th February 2023 has been executed by and between the Issuer and the Debenture Trustee. Please refer to the terms of Debenture Trustee Consent Letter dated [●], as attached as **Annexure I** to the Shelf Placement Memorandum, issued by the [●] setting out the terms of engagement and the fee payable to it for appointment and engagement as the debenture trustee in relation to the Issue.
Risk Factor associated with Market Linked Debentures	The Tranche 1 Market Linked Debentures are subject to model risk i.e. the securities created based on complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models. The principal amount is subject to the credit risk of the Issuer whereby the investors may or may not recover all or part of the funds in case of default by the Issuer. For detailed Risk Factors please refer to Section 2 of the Shelf Placement Memorandum dated[●], 2023
Future Borrowings	The Company shall be entitled to make further issue(s) of debentures, raise further loans of advances and/or avail further deferred payment guarantees or other financial facilities from time to time from such persons/banks/financial institutions or body corporate/or any other agency on such terms and conditions as the Company may think appropriate in any manner having such ranking in priority, pari passu or otherwise and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without having any need to obtain the consent of, or intimation to, the Debenture holders or the Trustees in this connection.
Due Diligence by Debenture Trustee	Please refer to Annexure XI of the Shelf Placement Memorandum
A detailed scenario analysis/ valuation matrix showing value of the security under different market conditions such as rising, stable and falling market conditions shall be disclosed in a table along with a suitable	Please refer to Annexure I of this Supplemental Placement Memorandum.

graphic representation.	

Notes : (i) Please note that the Market Linked Debentures are secured to the tune of 100% of the principal and interest amount or as per the terms of offer Transaction Documents, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained; (ii) In addition to the information regarding the relevant series/ tranche of Market Linked Debentures, if any change/ modification has occurred in relation to the disclosures made in the Shelf Placement Memorandum, the same would also be required to be updated in this Supplemental Placement Memorandum]

Mode of bidding:	[●]
Manner of Allotment:	[●]
Allotment Size	[●]
Manner of Settlement i.e. through clearing corporation or through escrow bank account of Issuer	[●]
Minimum Bid Lot and Multiple of Single Bid:	[●]
Trading Lot Size	[●]
Settlement Cycle [T+1/ T+2] where T refers to the date of bidding/ issue day	[●]

Payment Instructions

For subscribing the Market Linked Debentures, the Private Placement Offer Letter Cum Application Form should be submitted along with cheque(s)/draft(s) favouring "Shriram Finance Limited", crossed "Account Payee Only". The entire amount of Rs. 1,00,000/- (Rupees One Lakh only) (or any higher amount as otherwise specified) per Market Linked Debenture is payable along with the making of an application. Applicants can alternatively remit the application amount through RTGS on Pay-in Date.

The RTGS details of the Issuer are as under:

Name of Beneficiary	: Shriram Finance Limited
Name of Bank	: Axis Bank
Account No	: 921020004383057
Branch	: BKC, Bandra (East)
Address of Bank / Branch	: Bandra
IFSC Code	: UTIB0000230

For **Shriram Finance Limited**,

_____

Authorised Signatory

Date: [●] **2023**

PART B: Disclosures under Form PAS -4 pursuant to Section 42 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Sub-Part A
PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

PARTICULARS OF THE OFFER

Price at which the security is being offered including the premium, if any, along with justification of the price	[●]
The Proposed time within which the allotment shall be completed.	[●]
Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment	Please refer to the Part A of Section III of this Supplemental Placement Memorandum
Proposed time schedule for which the Private placement cum application letter is Valid.	[●]

Sub-Part B

Applicant Details

1. Name:
2. Father's Name: NOT APPLICABLE
3. Complete address including flat/ house number/ street, locality, pin code:
4. Phone number, if any:
5. Email ID, if any:
6. PAN:
7. Bank account details:
8. Demat Account Details:
9. Tick whichever is applicable:-

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

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

Signature of the applicant

_____

Initial of the officer of the company designated to keep the record

Annexure I
Illustration of Cash Flows for Tranche 1 Market Linked Debentures

Company	Shriram Finance Limited
Face Value (per security)	Rs.1,00,000/- per instrument
Date of Allotment (Original Issuance)	[●]
Redemption	[●]
Tenor	[●]
Coupon Rate	[●]
Frequency of the interest payment with specified dates	[●]
Day Count Convention	[●]

Cash Flows	**Date of Allotment**	**No. of days in Coupon Period**	**Amount (in Rupees)**
[●]	[●]	[●]	[●]
The above table is illustrative and indicative only. The payment of coupon/premium/interest/maturity amount on due dates will be in accordance and compliance with the provisions of Operational Circular, applicable tax laws and business day conventions specified in the Term Sheet of the issue.			

SCENARIO ANALYSIS:

[●]

GRAPHICAL REPRESENTATION

[●]

ANNEXURE III: IN PRINCIPLE APPROVAL LETTER

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188

DCS/COMP/AA/IP-PPDI/607/22-23

February 06, 2023

Shriram Finance Limited
Wockhardt Towers, Level - 3, West Wing, C-2, G Block, Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

Dear Sir,

RE: Private Placement of up to Rs. 5,000 Crores: (I) Secured Rated Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000/-, for cash, at par ("Non-Convertible Debentures"); and/or (II) Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures of face value of Rs.1,00,000/- for cash, at par ("Market Linked Debentures", together with the Non-Convertible Debentures, the "Debentures"), for an amount aggregating upto Rs.5000 Crores only, in Multiple Series/ Tranches.

We acknowledge receipt of your application on the online portal on February 02, 2023 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.

2. Payment of fees as may be prescribed from time to time.

3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.

4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.

5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time

6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors.:

https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31

7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links Electronic Issuance - Bombay Stock Exchange Limited (bseindia.com).

8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

BSE - CONFIDENTIAL

ANNEXURE IV: RATING LETTERS

[*attached separately*]

ANNEXURE V: STATEMENT OF UNAUDITED STANDALONE AND CONSLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED ON DECEMBER 31, 2022

[*attached separately*]

ANNEXURE VI: KEY TERMS

Part A: Key terms from the Debenture Trust Deed

1. Events of Default (including manner of voting/ conditions) including conditions of breach.

If one or more of the events specified below, have occurred and if in the opinion of the Debenture Holders the same is capable of being cured but is not cured at the end of the cure period (as applicable) the same shall be considered as an Event of Default:

(i) if the Company has failed to make payment of the principal amount of the Debentures on the Due Date(s) and such failure continues for a period of 90 (ninety) days;

(ii) if the Company has failed to make payment of any interest/ coupon/ premium (as applicable) on the Debentures on the Due Date(s) and such failure continues for a period of 90 (Ninety) days;

(iii) the Company has failed in the performance or observance of any material covenant, other conditions or provisions contained in these presents, the Transaction Documents (including the Shelf PM and the Supplemental PM) which results in a Material Adverse Effect. No Event of Default will occur under this sub clause (c) if the failure to perform or observe is: (a) capable of remedy; and (b) remedied, within 30 (thirty) days of the earlier of: (i) the Debenture Trustee giving notice of breach or failure to the Company; and (ii) the date on which the Company becomes aware of such failure of breach ;

(iv) any information or representation made or given by the Company in terms of the Transaction Documents is misleading or incorrect in any material respect and which has a Material Adverse Effect on the ability of the Company to make any payments in relation to the Debentures;

(v) the Company is unable to maintain the security cover by charge over the Hypothecated Assets in accordance with the terms of the Deed of Hypothecation and/ or the Security Interest is in jeopardy;

(vi) if the Company has admitted in writing that it is unable to payits debts or proceedings for taking it into liquidation/ winding up/insolvency resolution, either voluntarily or compulsorily, have been commenced and/or Company merges into or amalgamate with any other entity and/or consolidates, reorganize (including reorganization of its capital) in the manner prejudicial to the interest of the Debenture Holder except as otherwise allowed under the Debenture Trust Deed;

(vii) the corporate insolvency resolution petition has been admitted by the appropriate authority against the Company under the IBC or any analogous law with respect to the Company;

(viii) the Company is unable to or has admitted in writing its inability to pay its debts as they mature;

(ix) a receiver or a liquidator has been appointed or allowed to be appointed of all or any material part of the undertaking of the Company and the same act is not contested by the Company;

(x) if, distress, an attachment or distraint, execution or other legal process has been levied on the material part of the Secured Assets or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Company and such certificate proceedings is not discharged or stayed within 45 (forty five) days;

(xi) the Company without the consent of the Debenture Holders or the Debenture Trustee, ceases to carry on all of its business or substantial part of its business or gives written notice of its intention to do so;

(xii) the Company creates or attempts to create any charge over the assets which have been exclusively hypothecated by the Company, from time to time, in accordance with the Deed of Hypothecation in favour of the Debenture Trustee, without the prior written approval of the Debenture Trustee, provided that the creation of *pari passu* charge over such assets in accordance with the terms of this Deed and the other Transaction Documents shall not be an Event of Default;

(xiii) if a petition for winding up of the Company have been admitted or if an order of a Court of competent jurisdiction is made or a special resolution is passed by the Company for the winding up of a Company otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee (as approved by Special Resolution of the Debenture Holders) and duly carried into effect;

(xiv) if it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;

(xv) an administrative or other receiver or an administrator is appointed of the whole or (in the opinion of the Debenture Trustee) any substantial part of the assets or revenues of the Company (as the case may be) and is not discharged within 60 (Sixty) days;

(xvi) it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under any of the Debentures or the Transaction Documents that has a Material Adverse Effect;

(xvii) any step is taken by governmental authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Company;

(xviii) if the Company, shall without the previous consent in writing of the Debenture Trustee, make or attempt to make any alteration in the provisions of its mmemorandum and/or articles of aassociation which would in the opinion of the Debenture Trustee materially and detrimentally affect the interests of the Debenture Holder(s)/Beneficial Owner(s);.

(xix) the occurrence of any event or condition which, in the Debenture Trustee / Beneficial Owners(s) reasonable opinion, constitutes a Material Adverse Effect.

(xx) any indebtedness of the Company for borrowed monies i.e. indebtedness for and in respect of monies borrowed or raised by whatever means becomes due prior to its stated maturity by reason of default of the terms thereof or any such indebtedness is not paid at its stated maturity or there is a default in making payments due under any guarantee or indemnity given by the Company in respect of the indebtedness of borrowed monies of any person, which has Material Adverse Effect on the ability of the Company to make any payments in relation to the Debentures; and

(xxi) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

In any Event of Default or any event which, after notice or lapse of time, or both, would constitute an Event of Default has happened, the Company shall, forthwith give notice thereof to the Beneficial Owners(s)/ Debenture Trustee, in writing, specifying the nature of such Event of Default or of such event.

If one or more of the events specified above (each, an "**Event of Default**") shall have occurred or continuing, then if so required by the Debenture Holder(s)/ Beneficial Owner(s) of not less than 75% (seventy five per cent) in principal amount of the Debentures then outstanding or if so directed by an extraordinary resolution, the Debenture Trustee (subject to being indemnified and/or secured by the Debenture Holders to its satisfaction) shall by a notice in writing to the Company declare all the Debentures outstanding together with redemption premium, if any, and all accrued interest thereon to be due and upon such declaration the same shall thereupon become due and payable forthwith and the security

created in terms of the Transaction Documents, shall become enforceable and the Debenture Trustee shall have right to enforce security and shall have the following rights (notwithstanding anything in these presents to the contrary):

(i) to enter upon and take possession of the Hypothecated Assets;
(ii) to enforce any Security Interest created pursuant to the Transaction Documents in accordance with the terms thereof, as may be set out therein, towards repayment of the Debenture Obligations;
(iii) to transfer the Secured Assets of the Company by way of lease/sub-lease or license or sale, if applicable;
(iv) to appoint a nominee director in accordance with the Debenture Trust Deed;
(v) to exercise such other rights as the Debenture Trustee may deem fit under Applicable Law.

All reasonable expenses incurred by the Beneficial Owners(s)/Debenture Trustee after an Event of Default has occurred in connection with:

(i) preservation of the Secured Assets (whether then or thereafter existing); and
(ii) collection of amounts due under this Deed,

shall be payable by the Company upon submission of receipts to the Company in relation to the same.

Enforcement of Security

On the occurrence of an Event of Default that is continuing (and after the expiry of the applicable cure period, if any), the Debenture Trustee may, and if so requested in writing by the Debenture Holders representing not less than three-fourths in value of the nominal amount of the Debentures for the time being outstanding or if so directed by a Special Resolution of the Debenture Holders shall give notice to the Company that the Debentures are and they shall immediately become due and payable for their principal amount together with accrued interest as provided in this Deed. At any time after the Debentures or any of them have become repayable and have not been repaid, the Debenture Trustee may at their discretion and without further notice institute such proceedings against the Company as they may think fit to enforce repayment thereof together with accrued interest and all other monies payable in respect thereof but they shall not be bound to take any such proceedings unless:-

(a) the Debenture Trustee is so directed by a Special Resolution passed by the Debenture Holders or so requested in writing by the holders of the Debentures representing not less than three-fourths in value of the nominal amount of the Debentures for the time being outstanding;

(b) sufficient monies is advanced by the Debenture Holders to the Debenture Trustee for enforcement of rights; and

(c) the Debenture Trustee are indemnified to their satisfaction by the Debenture Holders.

Nominee Director

The Debenture Trustee shall have a right to appoint a nominee director on behalf of the Debenture Holders on the Board of Directors of the Company (hereinafter referred to as the "Nominee Director") in terms of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 applicable from time to time. The right to appoint the Nominee Director shall be exercised by the Debenture Trustee upon the occurrence of any of the following events:

(a) 2 (two) consecutive defaults in payment of interest to the Debenture holders; or

(b) any default on the part of the Company in redemption of the Debentures; or

(c) any default on the part of the Company in redemption of the Debentures

The Nominee Director so appointed shall not be liable to retire by rotation nor shall be required to hold any qualification shares. The Company shall promptly appoint the Nominee Director forthwith on receiving a nomination notice from the Debenture Trustee. The Company shall take steps to amend its articles of association for the purpose, if necessary.

Without prejudice to the rights available to the Debenture Trustee/ Debenture Holders, the Debenture Trustee (acting on the instruction of the Debenture Holders) / Debenture Holders, may upon occurrence of an Event of Default pursuant to the Debenture Trust Deed, may exercise such other rights and recourse pursuant to the provisions set out under the

circular dated October 13, 2020 bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/203, as may be amended / modified from time to time.

Notice Before Payment

The Debenture Trustee shall give not less than 14 (fourteen) days' notice to the holders of the Debentures under the Debenture Trust Deed and after the day so fixed the holders of each outstanding Debentures shall be entitled (subject to the provision in the Debenture Trust Deed) to interest on the balance only (if any) of the principal moneys due on such Debentures held by them after deducting the amount (if any) payable in respect of the principal thereof on the day so fixed.

2. ***Description regarding Security (where applicable) (Including description, type of security, type of charge, date of creation of security, minimum security cover, revaluation, replacement of security interest to the Debenture Holders over and above the Coupon rate as specified in the Debenture Trust and Disclosed in the Shelf Placement Memorandum and the Supplemental Placement Memorandum and Ranking of Security)***

Creation of Security

(i) The Debentures together with the Payments to be made shall *inter alia* be secured by exclusive first ranking charge over the Hypothecated Assets to be created by the Company in terms of the Deed of Hypothecation, in favour of the Debenture Trustee acting on behalf of and for the benefit of the Debenture Holders.

(ii) All security created in terms of the Transaction Documents, except as otherwise provided in the relevant Transaction Documents, is continuing security and shall remain in full force and effect until the Final Settlement Date.

(iii) The Company shall undertake and confirm that Security Interest to be created over Hypothecated Assets in relation to the Debentures shall be created in compliance with all Applicable Laws. Further, the Company shall undertake to perfect the creation of the security as aforesaid in favour of the Debenture Trustee, for the benefit of the Debenture Holders, within such period and in such manner as may be prescribed in this Deed and other Transaction Documents.

(iv) The Company shall undertake and confirm that the Security Interest to be created over the Hypothecated Assets is sufficient to discharge the interest and the principal amount of the Debentures at all times and that such assets are free from any encumbrances except charge in favour of existing and future lenders of the Company on first *pari passu* basis.

Security Cover

The Security Interest created/ to be created in terms of this Deed and other Transaction Documents for securing the obligations of the Company in relation to the Debentures shall at all times provide the security cover as required to be created and maintained per the Deed of Hypothecation and the Supplemental PM and any addendum made thereunder on continuous basis.

The Company shall ensure that the security cover as stipulated in the Deed of Hypothecation and the Supplemental PM is maintained at all times and in the event the security cover being met by the charge created over the Receivables falls below the stipulated security cover, the Company shall forthwith create charge over such other receivables of the Company so as to maintain the security cover in accordance with the terms of the Deed of Hypothecation.

Trust of the Security

The Security Interest created / caused to be created by the Company in terms of the Transaction Documents shall be and remain security to the Debenture Holders and shall be held by the Debenture Trustee for the benefit of the Debenture Holders for the Debenture Obligations due by the Company and the Debenture Trustee shall permit the Company (or any third person providing the Security Interest or any part thereof on behalf of the Company), till the occurrence of an Event of Default, wherein the Security Interest constituted shall become enforceable, to hold and enjoy the assets over which the Security Interest has been created and upon the Company defaulting in making any Payment, the Security Interest shall become enforceable in the manner provided in this Deed and the other Transaction Documents.

Trust of Proceeds of Sale/ Realisation out of the Security

The Debenture Trustee shall hold upon trust the monies, received by them or the receiver in respect of the Secured Assets or any part thereof arising out of:-

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

and they shall, in the first place, by and out of the said monies reimburse themselves and pay, retain or discharge all the costs, charges and expenses incurred in or about the entry, appointment of receiver, calling in, collection, conversion or the exercise of the powers and trusts under these presents, including their and the receiver's remuneration as herein provided, and shall apply the residue of the said monies on *pari passu* basis towards all monies due to the Debenture Holders in relation to the Debentures in the manner set out below:

FIRSTLY in or towards payment to the Debenture Holders *pari passu* of all arrears of interest and/or premium and/or coupon including default interest (which shall be deemed to accrue due from day to day) remaining unpaid on the Debentures held by them;

SECONDLY in or towards payment to the Debenture Holders *pari passu* of all principal amounts owing on the Debentures held by them and whether the said principal amounts shall or shall not then be due and payable; and

THIRDLY the surplus (if any) of such monies to the person or persons entitled thereto.

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

Additional Security

For the consideration aforesaid, the Company shall within such period as may be permitted by the Debenture Trustee, furnish to the Debenture Trustee additional security, if the Debenture Trustee is of the opinion that during the subsistence of the Debentures, the security cover for the Debentures has become inadequate as provided in this Deed and the Debenture Trustee has, accordingly, called upon the Company to furnish such additional security. In such case, the Company shall, at its own costs and expenses, furnish to the Debenture Trustee such additional security in form and manner satisfactory to the Debenture Trustee as security for the Debentures, and upon creation of such additional security, the same shall vest in the Debenture Trustee subject to all the trusts, provisions and covenants contained in these presents.

3. Other Covenants and key terms

Company Covenants

The Company shall undertake and covenant that:

(i) the Company shall execute all such deeds, documents and assurances and do all such acts and things as the Debenture Trustee may reasonably require for exercising the rights under these presents or for effectuating and completing the security intended to be created and shall from time to time and at all times after the security constituted shall become enforceable, execute and do all such deeds, documents, assurance, acts, and things as the Debenture Trustee may require for facilitating realisation of the Secured Assets and for exercising all the powers, authorities and discretions conferred on the Debenture Trustee or any receiver and in particular the Company shall execute all transfers, conveyances, assignments and assurance of the Secured Assets whether to the Debenture Trustee or to their nominees and the Debenture Trustee be and is authorized to give notices or directions to any person including Government authorities or file any application with the Government authorities in the name of Company to sell or realize the Secured Assets in accordance with the Debenture Trust Deed;

(ii) the Company shall ensure that the security cover as stipulated in the Transaction Documents in relation to the Debentures has been maintained at all times;

(iii) the Company shall undertake to irrevocably and unconditionally indemnify the Debenture Holders and keep the Debenture Holders indemnified for any expenses, costs, losses, claims, actions, damages arising out or in connection with any breach of our representations and/or warranties and/or covenants hereof or any misrepresentation hereof;

(iv) the Company shall at the time of allotment of a new Series/Tranche of Debenture, provide the Debenture Trustee with all such information as set out in the Shelf PM and the Supplemental PM and Applicable Law; and

(v) the Company shall be entitled to make further issue of debentures and/or raise further loans and/or avail of further deferred payment/guarantee facilities from time to time for such amounts and from such persons/public financial institutions/banks or any other financial corporations or body corporate as it may deem fit and create charge over its assets in relation to the same. Provided that at the time of raising such further issue of debentures and/or further term loans and/or availing deferred payment credit/guarantee facilities, the Company maintains the security cover stipulated in this Deed. It is clarified that in the event the Company seeks to create security over the Hypothecated Assets, which have been provided as security in relation to the Debentures in terms of the Deed of Hypothecation, in favour of any other lender or borrowing of the Company, the Company shall prior to creation of further charge on the Hypothecated Assets obtain prior written consent of the Debenture Trustee (acting on the instruction of the Majority Debenture Holders), and the creation of pari passu charge over such Hypothecated Assets in accordance with the terms of this Deed and the other Transaction Documents shall not be an Event of Default.

General Covenants

The Company shall undertake and covenant that the Company will at all times during the term of the Debentures (except as may otherwise be previously agreed in writing by the Debenture Trustee):

(i) comply with Applicable Law and carry on and conduct its business with due diligence and efficiency and in accordance with sound engineering, technical, managerial and financial standards and business practices with qualified and experienced management and personnel;

(ii) utilise the monies received towards subscription of the Debentures for onward lending to grow the asset book, financing vehicles such as commercial vehicles, two-wheelers vehicles, cars, home loans, gold loans, personal and small business loans, refinancing of existing debt, other general purposes of the Company and other activities as disclosed in the Debenture Trust Deed, the Shelf PM and the Supplemental PM. The Company shall also furnish to the Debenture Trustee a certificate from the Company's statutory auditors/ independent chartered accountant (as may be required under Applicable Law) in respect of the utilisation of funds raised by the issue of the Debenture. In addition to the above, upon completion of each financial year, the Company shall furnish to the Debenture Trustee a statement/certificate showing the manner in which the said monies have been utilized from the statutory auditors/ independent chartered accountant (as may be required under Applicable Law);

(iii) in case of initiation of forensic audit, the following disclosures shall be made to the relevant stock exchange where the Debentures have been listed by the Company:

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

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

(iv) the Company shall provide intimation regarding:

(i) any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities;

(ii) all covenants of the issue as required under Applicable Laws;

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

(vi) give to the Debenture Trustee or to such person or persons as aforesaid such information as they or he or any of them shall reasonably require as to all matters relating to the business, property and affairs of the Company which are relevant in relation to the Debentures, and at the time of the issue thereof to the Shareholders of the Company furnish to the Debenture Trustee three copies of every report, balance sheet, profit and loss account, circulars or notices, issued to the Shareholders and the Debenture Trustee shall be entitled, if they think fit acting reasonably, from time to time, to nominate a firm of chartered accountants to examine the books of account, documents and property of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow with prior written notice of atleast 3 (three) Business Days so long as no Event of Default has occurred or is continuing, and with prior written notice of at least 1 (one) Business Day if an Event of Default has occurred and is continuing, any such accountant or agent to make such examination and investigation during normal business hours and shall furnish him with all such information which are relevant in relation to the Debentures, and shall pay all costs, charges and expenses of and incidental to such examination and investigation;

(vii) punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, insurance premium with respect to the Secured Assets, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable and when required by the Debenture Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the security created hereunder and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company in respect of or any part of the Secured Assets;

(viii) forthwith give notice in writing to the Debenture Trustee of commencement of any proceedings or any order directly and materially affecting the Secured Assets;

(ix) diligently preserve its corporate existence and status and all rights, contracts privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and that it will comply with each and every term of the said franchises and concessions and all Applicable Law and directions of any legislative, executive, administrative or judicial body applicable to the Secured Assets or any part thereof provided that the Company may contest in good faith the validity of any such Applicable Laws and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures or the security of the Debentures is not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed;

(x) reimburse all sums paid or expenses incurred by the Debenture Trustee or any Receiver, attorney, manager, agent or other person appointed by the Debenture Trustee for all or any of the purposes mentioned in these presents immediately on receipt of a notice of demand from them in this behalf;

(xi) inform the Debenture Trustee with respect to any new project, diversification, modernisation or substantial expansion of any project or change in the nature and conduct of business of the Company which may affect the interest of the Debenture Holders;

(xii) promptly inform the Debenture Trustee if it has notice of any application for insolvency resolution, winding up or liquidation having been made or any statutory notice of winding up under the IBC or the Act or otherwise of any suit or other legal process intended to be filed or initiated against the Company and affecting Company's title to the Secured Assets or if a receiver is appointed of any of its Secured Assets;

(xiii) promptly inform the Debenture Trustee of any event likely to have a Material Adverse Effect on the Company's profits or business and of any material changes in the rate of production or sales of the Company with an explanation of the reasons therefore;;

(xiv) promptly inform the Debenture Trustee of any material loss or damage which the Company suffers due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties;

(xv) not undertake or permit any merger, consolidation, reorganisation scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction without providing a prior written intimation to the Debenture Trustee;

(xvi) furnish quarterly/annual report to the Debenture Trustee containing the following particulars:

A. periodical status/performance reports form the Company within 7 (Seven) days of the relevant board meeting or within 45 (Forty Five) days of the respective quarter whichever is earlier;

B. updated list of the names and addresses of the Debenture Holders;

C. details of the interest/ coupon/ premium due, but unpaid and reasons thereof;

D. details of payment of interest made on the Debentures in the immediately preceding calendar quarter;

E. the number and nature of grievances pending at the beginning of the quarter, the number and nature of grievances received from the Debenture Holders during the quarter and resolved/disposed off by the Company in the quarter and those remaining unresolved by the Company and the reasons for the same by the Company;

F. certificate on quarterly basis from the independent chartered accountant certifying the value of the book debts/receivables;

G. certificate from the statutory auditor/ independent chartered accountant (as required under Applicable Law) on half yearly basis certifying maintenance of the security cover, the value of the Receivables charged in favour of the Debenture Trustee for securing the Debentures and compliance with the covenants set out in the Shelf Placement Memorandum/ Supplemental Placement Memorandum, along with the half-yearly financial results;

H. a statement that the Secured Assets are sufficient to discharge the claims of the Debenture Holders as and when they become due;

I. statement that the quarterly compliance report on corporate governance (if applicable) has been submitted to the Exchange, in the format prescribed by SEBI, within the time lines prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

J. such other information as required under the SEBI Regulations, as amended from time to time, and under other Applicable Law and such other information, as required by the Debenture Trustee;

(xvii) promptly inform the Debenture Trustee about any change in the composition of its board of directors which may amount to change in control as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time; submit to the Exchange for dissemination, along with the quarterly/ annual financial results, a quarterly/ annual communication, along with the Debenture Trustee's letter of noting of the following information, as applicable :

(i) debt-equity ratio;

(ii) debt service coverage ratio;
(iii) interest service coverage ratio;
(iv) outstanding redeemable preference shares (quantity and value);
(v) capital redemption reserve/ debenture redemption redemption reserve;
(vi) net worth;
(vii) net profit after tax;
(viii) earnings per share;
(ix) current ratio;
(x) long term debt to working capital;
(xi) bad debts to account receivable ratio;
(xii) total debts to total assets;
(xiii) debtors turnover;
(xiv) inventory turnover;
(xv) operating margin (%);
(xvi) net profit margin (%); and
(xvii) sector specific equivalents ratios, as applicable;

(xviii) promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders;

(xix) comply with all the provisions, including furnishing of all such information as mentioned in the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the SEBI NCS Regulations, Operational Circular, the simplified listing agreement issued in terms of notification CIR/CFD/CMD/6/2015, issued by the SEBI and as amended from time to time, Issuance of Non-convertible Debentures (Reserve Bank) Directions, 2010, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act and rules framed thereunder as amended from time to time and/or any other Applicable Law issued, from time to time (hereinafter collectively referred to as the "**Guidelines**") read with the Shelf PM and the Supplemental PM;

(xx) issue a press release (and place the same on its website and with credit rating agencies) to inform the Debenture Holders of any failure to make a timely repayment of the Debenture Obligations or to create charge on Secured Assets or of any revision of credit rating assigned to the Debentures;

(xxi) submit details of all orders, directions, notices, of any court/tribunal that have Material Adverse Effect on the Secured Assets;

(xxii) submit to the Debenture Trustee, a copy of all notices, resolutions and circulars relating to:

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

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

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

(xxiv) in addition to the requirements as specifically set out in this Deed, provide all relevant documents/ information/ reports/ certificates etc., as may be required to be furnished to the Debenture Trustee by the Company and/or as may be required by the Debenture Trustee for furnishing relevant information to SEBI or relevant stock exchanges, as per the timelines and requirements set out in the SEBI circulars dated November 12, 2020 and bearing reference number EBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 and dated May 19, 2022 bearing reference SEBI/HO/MIRSD_CRADT/CIR/P/2022/67;

(xxv) The Debenture Trustee shall carry out due diligence on continuous basis to ensure compliance by the Company, with the provisions of the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

SEBI NCS Regulations, Operational Circular, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the listing agreement of the Exchange(s) where the Debentures are listed, this Deed and any other Applicable Law;

(xxvi) For the purpose of carrying out the due diligence as required in terms of the hereunder, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power, after giving prior notice of atleast 5 (five) Business Days, to examine, at business hours, the books of accounts of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee;

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

(xxviii) not declare any dividend to the shareholders in any year until the Company has paid or made satisfactory provision for the payment of the installments of principal, interest due and payable on the Debentures or until any other condition prescribed under any of the Applicable Law has been met, as the case maybe; and

(xxix) within the timeline as agreed with the prospective holders of Debentures or timelines provided under Applicable Law, whichever is earlier, make the relevant filings (if any) that the Company is required to make with the Registrar of Companies/SEBI/ Central Registry of Securitisation Asset Reconstruction and Security Interest of India and provide the details regarding the same to the Debenture Trustee

FINANCIAL COVENANTS AND CONDITIONS

ISSUANCE OF DEBENTURES

Notwithstanding anything to the contrary set out in the Debenture Trust Deed, the Debentures proposed to be issued in terms of the Debenture Trust Deed may be issued in multiple Series, Tranches or sub Tranches and upon such detailed terms and condition, including but not limited to those relating to nature, security, ranking, redemption terms of the relevant Debentures, which shall be set out in detail in the relevant Shelf PM and the Supplemental PM issued by the Company in this regard.

Further, pursuant to the terms of the SEBI NCS Regulations and the Operational Circular, the Company shall be entitled to issue market linked debentures in terms of this Deed and accordingly, in the event any specific disclosures are to be made by the Company, the Company shall make such disclosures in the relevant Shelf PM and/or the Supplemental PM issued in relation to the such market linked debentures.

DEBENTURES TO RANK PARI PASSU

The Debentures shall, between the Debenture Holders of each Series / Tranche, inter-se rank *pari passu* without any preference or priority of one over the other or others of them whatsoever. The security shall, between the Holder(s) of the Debentures of all the Series / Tranches, inter-se rank *pari passu* without any preference or priority whatsoever.

Subject to any obligations preferred by mandatory provisions of the law prevailing from time to time, the Debentures shall also, as regards the principal amount of Debentures, interest and all other monies secured in respect of the Debentures, rank *pari passu* with all other present and future holders of debentures issued by the Company in the same category.

Interest

(a) **Rate and Manner of Payment**

The Company shall be liable to pay the Debenture Holders interest/ coupon/ redemption premium on the series/tranche Debentures at the rate (if any) specified in Placement Memorandum(s) ("**Interest Rate**" or "**Coupon Rate**" or "**Redemption Premium**"), and such Coupon Rate/Interest Rate/ Redemption Premium shall

be payable in such manner as specified in the Supplemental PM in respect of the relevant Series / Tranche of the Debentures.

Payment of interest on the Debenture(s) will be made to those Debenture Holders whose name(s) appear in the register of debenture holder(s) (or to the first holder in case of joint holders) as on the Record Date fixed by the Company for this purpose and /or as per the list provided by the Depository to the Company of the beneficiaries who hold Debentures in demat form on such Record Date, and are eligible to receive interest. Payment will be made by the Company after verifying the bank details of the Debenture Holders by way of direct credit through Electronic Clearing Service (ECS), Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT) and where such facilities are not available the Company shall make payment of all such amounts by way of cheque(s)/demand draft(s)/interest warrant(s), which will be dispatched to the debenture holder(s) by registered post/ speed post/ courier or hand delivery on or before the Interest Payment Dates as specified in the Placement Memorandum.

(b) Review of Interest Rate

Other than as specified in relation to each Tranche of the Debentures in the Supplemental PM, as and when the Central Government increases the rate of interest on non-convertible debentures in future, the Company may increase the rate of interest on the Debentures issued pursuant to the relevant Supplemental PM and take necessary steps to complete all the required formalities and obtain all the necessary consents from the concerned authorities for payment of interest at such increased rate.

Payments

Payment of the Redemption Amount of each of relevant Tranche or Series of the Debentures shall be made by cheque or warrant / demand draft / credit through the RTGS/ ECS/ Direct Credit/ NEFT system to the Debenture Holder(s) and in case of joint holders to the one whose name stands first in the register of Debenture Holder(s).

Taxation

As per the existing tax laws, tax will be deducted at source at the time of actual payment of interest to the Debenture Holders at the rate for the time being prescribed by the Income-tax Act, 1961.

Security Cover

The Security Interest created/ to be created in terms of the Transaction Documents for securing the obligations of the Company in relation to the Debentures shall at all times provide the security cover as required to created and maintained per the Deed of Hypothecation and the Supplemental PM and any addendum made thereunder on continuous basis.

The Company shall ensure that the security cover as stipulated in the Deed of Hypothecation and the Supplemental PM is maintained at all times and in the event the security cover being met by the charge created over the Receivables falls below the stipulated security cover, the Company shall forthwith create charge over such other receivables so as to maintain the security cover in accordance with the terms of the Deed of Hypothecation.

Further Borrowings

The Company shall be entitled to make further issue of debentures and/or raise further loans and/or avail of further deferred payment/guarantee facilities from time to time for such amounts and from such persons/public financial institutions/banks or any other financial corporations or body corporate as it may deem fit and create charge over its assets in relation to the same. However, until the Debentures are fully redeemed, the Company shall not create any charge over the Hypothecated Assets without obtaining prior written approval of the Debenture Trustee and the creation of pari passu charge over such Hypothecated Assets in accordance with the terms of this Deed and the other Transaction Documents shall not be an Event of Default. Provided that at the time of raising such further issue of debentures and/or further term loans and/or availing deferred payment credit/guarantee facilities, the Company shall maintain the security cover stipulated in the Debenture Trust Deed.

TRANSFER OF DEBENTURES

The Debentures shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of the listed shares of the Company. The provisions relating to transfer and transmission in respect of the shares as provided in the articles of association of the Company shall apply mutatis mutandis to the Debentures.

DEBENTURE HOLDERS NOT ENTITLED TO SHAREHOLDERS' RIGHTS

The Debenture Holders will not be entitled to any of the rights and privileges available to the shareholders including right to receive notices of or to attend and vote at General Meetings or to receive Annual Reports of the Company.

If, however, any resolution affecting the rights attached to the Debentures is placed before the Shareholders, such resolution will first be placed before the Debenture Holders for their consideration.

VARIATION OF DEBENTURE HOLDERS' RIGHTS

The rights, privileges and conditions attached to the Debentures under a particular Series/Tranche may be varied, modified or abrogated with the consent in writing of the Super Majority Debenture Holder(s) of that particular Series/Tranche.

ADDITIONAL TERMS OF DEBENTURES

Monetary Benefits

The Company shall agree to revise the terms and conditions relating to any monetary benefit available to the existing Debenture Holders in case Central Government announces in future any modification/amendment/revision in the guidelines for the issue of Debentures by public limited companies PROVIDED THAT the monetary benefits relating to the enhancement of redemption premium, if any, shall be restricted to the proportion the unexpired period bears to the total term of the Debentures.

Purchase Resale and Reissue

(i) The Company shall, subject to Applicable Law and the terms of the Shelf PM and the Supplemental PM as issued from time to time, have the power exercisable at its sole and absolute discretion to purchase some or all of the relevant Tranche / Series of the Debentures held by the Debenture Holder(s) at any time prior to the specified date(s) of redemption from the open market or otherwise. It is clarified that the Company will also have the power to re-purchase any or all of the Debentures under a particular Series/ Tranche. Such buy-back of relevant Tranche / Series of the Debentures may be at par or at discount / premium to the face value at the sole discretion of the Company. The relevant Tranche / Series of the Debentures so purchased may, at the option of the Company, be cancelled, held or resold. The Company will not be required to make a pro-rata or proportionate offer to repurchase in the open market from all the Debenture Holder(s) of a relevant Tranche/Series and shall at its sole and absolute discretion be entitled to purchase the Debentures from any of the relevant Debenture Holder(s).

(ii) Where the Company has repurchased / redeemed any such relevant Tranche / Series of the Debentures, if permissible under and subject to the provisions of the Companies Act, Rules and Regulations thereunder and other Applicable Law as may be amended from time to time, the Company shall have and shall be deemed always to have had the right to keep such relevant Tranche / Series of the Debentures alive for the purpose of reissue and in exercising such right, the Company shall have and shall be deemed always to have had the power to reissue such relevant tranche or series of the Debentures, either by reissuing the same relevant Tranche/ Series of the Debentures or by issuing other debentures in their place, in either case, at such a price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Company may deem fit.

4. Provisions relating to the Debenture Trustee

APPOINTMENT OF DEBENTURE TRUSTEE

The Company shall appoint the Debenture Trustee as trustee for the Debenture Holders pursuant to the Debenture Trustee Agreement.

Acceptance of Trust and Liability

The Debenture Trustee accepts the trust created and agrees to perform the same, but only upon the terms and provisions of the Transaction Documents.

The Debenture Trustee shall be answerable to and accountable to the Debenture Holders for any loss in relation to the Transaction Documents or any part thereof or any rights in respect thereto only under circumstances arising out of its wilful misconduct, default, gross negligence, fraud, breach of and/ or a failure to comply with the terms and conditions of the Transaction Documents or any other agreement by which the Debenture Trustee may be bound or express instructions of the Majority Debenture Holders or any of their representatives, agents, nominees or officers.

Resignation

The Debenture Trustee may, at any time, without assigning any reason and without being responsible for any loss or costs occasioned thereby, but after giving not less than 30 (Thirty) days' notice, resign as the trustee, provided that it shall continue to act as Debenture Trustee until a successor trustee is appointed by the Company. A successor trustee appointed in accordance with this Clause - *Successor Trustee as the Debenture Trustee*, shall in the Debenture Trust Deed be referred to as "**Successor Trustee**". In this Clause, the references to the term 'appointment' and its cognate variations when used in relation to the Successor Trustee, shall mean and include not only such appointment but also the acceptance of such appointment and of the trust by such Successor Trustee.

The Company shall, upon receipt of notice of resignation issued by the Debenture Trustee, take prompt steps to appoint another entity competent to act as trustee for the Debenture Holder(s) in place of the Debenture Trustee. The Company shall appoint the Successor Trustee within the aforesaid notice period failing which the Debenture Holders shall appoint the Successor Trustee by passing a resolution of the Super Majority Resolution.

Removal

The Debenture Holder(s) may for sufficient cause but, after giving not less than 60 (Sixty) days' notice in writing, remove the Debenture Trustee by passing a resolution of the Super Majority Debenture Holder to that effect, and by the same resolution nominate an entity competent to act as their Debenture Trustee and require the Company to appoint such entity as the Successor Trustee. The Company shall within 15 (Fifteen) days of receipt of such resolution passed by the Debenture Holders take all necessary steps to appoint the entity named in the resolution as the Successor Trustee and complete all necessary formalities to give effect to such appointment. The Debenture Holders shall provide a copy of such resolution to the Company within 15 (Fifteen) days from the date of passing of such resolution.

Any entity whether body corporate or otherwise which is registered as a debenture trustee with the SEBI may be appointed as Debenture Trustee. Whenever there shall be more than two Debenture Trustee hereof the majority of such Debenture Trustee shall be entitled to exercise the powers, authorities and discretions hereby vested in the Debenture Trustee.

Successor Trustee as the Debenture Trustee

Upon appointment of the Successor Trustee pursuant to the preceding Clauses - *(Resignation)* or *(Removal)* herein, all references in the Debenture Trust Deed to the Debenture Trustee shall unless repugnant to the subject or context thereof, be deemed to mean and refer to the Successor Trustee and the Successor Trustee shall without any further act or deed succeed to all the powers, authorities responsibilities and liabilities of the Debenture Trustee as if it had been originally appointed as the Debenture Trustee.

Debenture Trustee Remuneration

The remuneration of the Debenture Trustee shall be as per the terms of the Debenture Trustee Consent Letter issued by

the Debenture Trustee to the Company from time to time.

Duties of the Debenture Trustee

In performing its obligations in relation to the Debentures:

(a) The Debenture Trustee shall, subject to these presents, perform its duties and obligations, and exercise its rights and discretions, in keeping with the trust reposed in the Debenture Trustee by the Debenture Holder(s), and shall further conduct itself, and comply with the provisions of the Indian Trusts Act, 1882, SEBI rules and requirements, the requirements provided for under Companies (Share Capital and Debentures) Rules, 2014, and all other Applicable Laws;

(b) The Debenture Trustee shall carry out all its obligations, duties and functions as the debenture trustee in accordance with the terms set out in the Transaction Documents and where the same is silent or contrary to any other provision of the Transaction Documents, on the instructions of the Majority Debenture Holder(s);

(c) As required by Applicable Law or under the Transaction Documents or upon the request of any Debenture Holder, the Debenture Trustee shall provide to the Debenture Holder(s) the details of all information (as well all documents/ certificates/ reports) provided by the Company to the Debenture Trustee in relation to the Tranche/Series or pursuant to the terms of the Transaction Documents;

(d) the Debenture Trustee shall not do any act, deed or thing which is prejudicial or detrimental to the interest of the Debenture Holder(s);

(e) the Debenture Trustee shall do any act, deed or thing or refrain from doing any act, deed or thing, which may be reasonably expected of the Debenture Trustee under the given circumstances at that point in time, in exercise of its rights and the performance of its duties and obligations under the Debenture Trust Deed and the other Transaction Documents;

(f) all monies received by the Debenture Trustee hereunder (or pursuant to the other Transaction Documents) for the benefit of the Debenture Holder(s) shall be kept segregated from the other assets of the Debenture Trustee; provided however the Debenture Trustee shall not be liable to make payment of any interest thereon;

(g) the Debenture Trustee shall covenant to keep all customary books and records relating to the receipt and distribution of all moneys which it may receive or be entitled to hereunder or under any agreement, document or instrument contemplated. The Debenture Trustee, upon written request of the Debenture Holder(s), will furnish the Debenture Holder(s) with all such information as may be required from the Debenture Trustee in connection with the preparation of tax reports and tax returns with respect to taxes due and payable by the trust created in connection with the transactions contemplated, by the Transaction Documents or any other agreement, document or instrument referred to herein;

(h) the Debenture Trustee shall keep copies of all reports and returns delivered to it by the Company or filed by it on behalf of the Company, all at the cost of the Company;

(i) the Debenture Trustee shall ensure the implementation of the conditions regarding creation of the security for the Debentures, if any, creation registration thereof with Registrar of Companies and Central Registry of Securitisation Asset Reconstruction and Security Interest of India within the timelines prescribed by law, recovery expense fund (as applicable) and the Debenture Redemption Reserve (as applicable);

(j) the Debenture Trustee shall carry out due diligence on continuous basis to ensure compliance by the Company, with the provisions of the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI NCS Regulations, Operational Circular, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the listing agreement of the Exchange(s) where the Debentures are listed, this Deed and any other Applicable Law; and

(k) for the purpose of carrying out the due diligence as required in terms of the hereunder, the Debenture Trustee, either

through itself or its agents /advisors/consultants, shall have the power, after giving prior notice of atleast 5 (five) Business Days, to examine, at business hours, the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

Role and Responsibility of the Debenture Trustee

In addition to the other powers conferred on the Debenture Trustee and provisions for their protection and not by way of limitation or derogation of anything in these presents contained nor of any statute limiting the liability of the Debenture Trustee, IT IS EXPRESSLY DECLARED as follows:-

(a) the Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Company or by the Debenture Trustee or otherwise and shall not be responsible for any loss occasioned by so acting. Any such advice, opinion or information and any communication passing between the Debenture Trustee and their representative or attorney appointed by them may be obtained or sent by letter, telegram, cablegram, telex or telephonic message;

(b) the Debenture Trustee shall be at liberty to accept a certificate signed by any one of the Directors/authorised signatories of the Company as to any act or matter prima facie within the knowledge of the Company as sufficient evidence thereof and a certificate to the effect that any particular dealing or transaction or step or thing is in the opinion of the Director so certifying expedient as sufficient evidence that it is worth that sum or so suitable and a like certificate to the effect that any particular dealing or transaction or step or thing is in the opinion of the Director so certifying expedient as sufficient evidence that it is expedient and the Debenture Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by their failing to do so. However, if the Debenture Trustee has cause to believe that any certificate received has errors and wrongful facts, then the Debenture Trustee shall cause an independent verification of the same;

(c) the Debenture Trustee shall have the right to rely on notices, communications, advertisement, website information of the Company and any other related party with respect to Debentures etc.;

(d) other than as expressly set out in the Transaction Documents, the Debenture Trustee shall not be bound to take any steps to ascertain whether any Event of Default has happened upon the happening of which the rights under the Debentures becomes enforceable;

(e) save as herein otherwise expressly provided the Debenture Trustee shall, as regards, all trusts, powers, authorities vested in them have discretion, in consultation with the Debenture Holder(s), if required, as to the exercise thereof and to the mode and time of exercise thereof;

(f) the Debenture Trustee shall not be bound to give notice to any Person of the execution hereof or to see to the performance or observance of any of the obligations imposed on the Company or in any way to interfere with the conduct of the Company's business unless and until an Event of Default shall have occurred and the Debenture Trustee (acting on the instructions of the Super Majority Debenture Holders) shall have determined to enforce the same;

(g) the Debenture Trustee shall be at liberty to keep these presents and all deeds at its office in the place where the Debenture Trust Deed is executed or elsewhere or if the Debenture Trustee so decides with any banker or company whose business includes undertaking the safe custody of documents or with any advocates or firm of solicitors and the Debenture Trustee may pay all sums required to be paid on account of or in respect of any such deposit; provided all such documents shall be kept in the state of where it is executed;

(h) save as herein otherwise expressly provided the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions vested in them, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof and shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the exercise or non-exercise thereof and in particular they shall not be bound to act at the request or direction of the Debenture Holder(s) under any provisions of these presents unless sufficient monies shall have been provided or provision to the satisfaction of the Debenture Trustee made for providing the same and the Debenture

Trustee is indemnified to their satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;

(i) with a view to facilitating any dealing under any provision of these presents the Debenture Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally;

(j) the Debenture Trustee shall have full power to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination bona fide made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Debenture Trustee) shall be conclusive and binding upon all Persons interested hereunder;

(k) subject to the provisions of section 71(7) of the Act and Rule 18 (3) of the Companies (Share Capital and Debentures) Rules, 2014, the Debenture Trustee shall not be responsible for the consequences of any mistake, oversight or error of judgment or forgetfulness or want of prudence on their part or on the part of any attorney, receiver or any person appointed by them and shall not be responsible for any misconduct on account of any person appointed by them or be bound to supervise the proceedings of any such appointee;

(l) the Debenture Trustee shall be responsible for acts and omissions of its employees performed during the normal course of its business;

(m) the Debenture Trustee shall not be responsible for the monies paid by applicants for the Debentures or be bound to see to the application thereof;

(n) the Debenture Trustee shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Debenture Holder(s)/Beneficial Owner(s) in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Debenture-holder(s)/Beneficial Owner(s);

(o) without prejudice to the rights to indemnify by Applicable Law given to the Debenture Trustee, the Debenture Trustee and every receiver, attorney, manager appointed by them shall subject to the provisions of the Act be entitled to be indemnified out of properties charged/to be charged to the Debenture Trustee in respect of all liabilities and expenses incurred by them or him in the execution or purported execution of the powers and trusts thereof and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in anywise relating to the properties charged/to be charged to the Debenture Trustee and the Debenture Trustee may retain and pay out of any monies in their hands the amount of any liabilities and expenses necessary to effect such indemnity and also remuneration of the Debenture Trustee as herein provided and the Debenture Trustee shall have a lien on the properties charged/to be charged to the Debenture Trustee for all money payable to them arising out of or in connection with these presents or the issue of the debentures;

(p) the Debenture Trustee and its employees shall not be liable for anything whatsoever except a breach of trust knowingly and intentionally committed by the Debenture Trustee;

(q) the Debenture Trustee and its employees shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts expressed in these presents or contained or any of them or in enforcing the covenants contained therein or any of them or in giving notice to any person or persons of the execution thereof or in taking any other steps which may be necessary, expedient or desirable for the purpose of perfecting or enforcing the security for the Debentures or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid by the holder(s) representing not less than three-fourths of the nominal amount of the debentures for the time being outstanding or by a special resolution duly passed at a meeting of the Debenture Holder(s)/Beneficial Owner(s) and the Debenture Trustee shall not be bound to perform, exercise or do any such acts, powers or things or to take any such steps unless and until sufficient moneys shall have been provided or provision to the satisfaction of the Debenture Trustee made for providing the same by or on behalf of the Debenture Holder(s)/Beneficial Owner(s) or some of them in order to provide for any costs, charges and expenses which the Debenture Trustee may incur or may have to pay in connection with the same and the Debenture Trustee is indemnified to their satisfaction against all further costs, charges, expenses and liabilities which may be incurred in complying with such request

PROVIDED NEVERTHELESS that nothing contained in this clause shall exempt the Debenture Trustee from or indemnify them against any liability for breach of trust nor any liability which by virtue of any rule or law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder.

Part B: Terms and conditions of the Debenture Trustee Appointment Agreement:

(i) That the Company shall appoint Catalyst Trusteeship Limited as the Debenture Trustee for the benefit of and acting on behalf of the Debenture holders of of the relevant Debentures to be issued by the Company from time to time; and Catalyst Trusteeship Limited shall agree to act as the debenture trustee for benefit of and on behalf of the Debenture Holders in accordance with the provisions of the Transaction Documents, subject to the completion of due diligence of all relevant information pertaining to the assets of the Company and Security Interest to be created to secure the Debentures, to the satisfaction of the Debenture Trustee.. The Debenture Trustee and the Company shall also enter into the Debenture Trust Deed and such other Transaction Documents as may be required from time to time in relation to the Debentures. Notwithstanding anything to the contrary, the Debenture Trustee shall not act on any instructions of the Company and shall at all times only act in accordance with the instruction of the Debenture Holders in accordance with the Debenture Trust Deed and other Transaction Documents..

(ii) The Debenture Trust Deed shall be finalized by the relevant parties thereto and consist of two parts: Part A containing statutory/standard information pertaining to the debt issue *inter alia* consisting of clauses pertaining to Form SH-12 as near thereto as possible and in terms of Rule 18(5) of the Companies (Share Capital and Debentures) Rules, 2014; and Part B containing details specific to the particular debt issue..

(iii) As the Debentures are to be secured, the Company shall create/ procure to create the security over the Hypothecated Assets of the Company within the time period agreed in the Debenture Trust Deed and on such terms and conditions as disclosed in the Placement Memorandum and the Transaction Documents and execute the Debenture Trust Deed and other necessary Transaction Documents as approved by the Debenture Trustee, within the time frame prescribed for the Debentures in the Applicable Laws and the same would be uploaded on the website of the Exchange, where the Debentures have been listed, simultaneous with the submission of the listing application for the Debentures. The Security Interest created pursuant to the Transaction Documents shall be registered with Sub-Registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest ("CERSAI"), depository or any other institution, as applicable, within 30 days of creation of charge.

(iv) The Company shall comply with the provisions of SEBI Regulations, RBI Regulations debt listing agreement, Act and other applicable provisions under Applicable Laws ("**Relevant Laws**") in connection with the issuance, allotment, listing and ensuring continued compliance of the Debentures until the redemption in full of the Debentures.

(v) The Company shall declare and confirm that the Company, or the person in control of the Company and/ or its promoter have not been restrained or prohibited or debarred by the SEBI from accessing the securities market or dealing in securities.

(vi) The Company shall declare and confirm that the proposal to create a charge or security in respect of Debentures has been/shall be disclosed in the relevant Placement Memorandum.

(vii) The Company shall confirm that the Company is duly authorised to enter into the Debenture Trustee Appointment Agreement and each of the other Transaction Documents pertaining to the issue of the Debentures. The Company is validly existing and in good standing under the laws of India and each of the obligations contained herein shall be legal, valid and binding obligation enforceable against the Company.

(viii) **Documents required to be submitted prior to or simultaneously with execution of this Agreement:**

The Company shall ensure that the requisite information and documents, as required by the Debenture Trustee have been submitted to the satisfaction of the Debenture Trustee for carrying out the requisite due diligence as required in terms of the Relevant Laws including in connection with verification of the security / contractual comforts and the required asset cover for the Debentures, simultaneously with or prior to the execution of this Agreement. Without prejudice to the aforesaid, the Company shall provide to the Debenture Trustee on or prior to date of execution of the Debenture Trustee Appointment Agreement, all the information and documents as set out in Annexure A of the Debenture Trustee Appointment Agreement as applicable.

(ix) **Terms of carrying out due diligence**:

(a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Transaction Documents and the Relevant Laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/ valuers/ consultants/ lawyers/ technical experts/ management consultants appointed by the Debenture Trustee;

(b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets of the Company or any third party security provider for securing the Debentures, are registered / disclosed;

(c) Further, in the event that existing charge holders, the concerned trustee on behalf of the existing charge holders, have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any;

(d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the Relevant Laws; and

(e) The Debenture Trustee shall have the power to either independently appoint, or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

(x) The Company shall pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Transaction Documents and such other expenses like advertisement, notices, letters to Debenture Holders, and additional professional fees/expenses that would be incurred in case of default. The remuneration of the Debenture Trustee shall be as per the offer letter No. CL/MUM/22-23/DEB/1437 dated 23 January 2023 as may be amended/modified from time to time.

Arrears of instalments of annual service charges, if any, and/ or delay in reimbursement of cost, charges and expenses shall carry interest at the rate of 16% (Sixteen percent) per annum or applicable interest rate under MSME Act, whichever is higher, from the date of bill till the date of actual payment which shall be payable on the footing of compound interest with quarterly rests.

(xi) The Company shall promptly furnish all and any information as may be required by the Debenture Trustee, including such information as required to be furnished in terms of the Relevant Laws and the Debenture Trust Deed on a regular basis, including without limitation the following documents, as may be applicable:

(a) Placement Memorandum in relation to the issue of Debentures to facilitate the Debenture Trustee to review and provide comments, if any;
(b) necessary corporate authorisations by way of board resolution and/or shareholder resolution necessary for the issue and allotment of the Debentures and the creation of Security Interest thereunder;
(c) Certificate issued by the Registrar of Companies in relation to the charge created to secure the Debentures;
(d) Agreement with the registrar to issue;
(e) Letters from credit rating agencies about ratings;

(f) Proof of credit of the Debenture in favour of the Debenture holders within 30 days of registration of charge with the Registrar of Companies (in case where the allotment letter has been issued and debenture certificate is to be issued after registration of charge);

(g) details of depository with whom the Debentures are being held in dematerialised form;

(h) within 180 days from the end of the financial year, latest annual report;

(i) the Debenture Trustee Appointment Agreement;

(j) the Transaction Documents;

(k) Certified true copy of the resolution(s) for allotment of Debentures;

(l) Confirmation/proofs of payment of interest and principal amounts made to the Debenture Holders on due dates as per the terms of the Debenture Trust Deed and applicable rules and regulations as may be issued by SEBI including Relevant Laws;

(m) Statutory auditor's certificate for utilization of funds/issue proceeds;

(n) statutory auditor certificate, on a half yearly basis giving the value of book debt and receivables, including compliance with the covenants of the Placement Memorandum, in case where listed debt securities are secured by way of receivables;

(o) information to enable the Debenture Trustee to carry out the necessary due diligence and monitor the security cover on a quarterly basis within 75 days from the end of each quarter except last quarter of financial year in which case it should be within 90 days from the end of financial year, and to ensure the implementation of the conditions regarding creation of security for the debentures, if any, debenture redemption reserve and recovery expense fund;

(p) Periodical reports / information on quarterly/ half yearly / annual basis as required to be submitted to Exchange under the SEBI Regulations or debt listing agreement;

(q) beneficiary position reports as provided by the registrar and transfer agent;

(r) in -principal approval for listing of the Debentures from the Exchange;

(s) Listing application along with the required details / annexures submitted to the Exchange;

(t) Due diligence certificate from legal counsel, if any;

(u) Acknowledgement of filing of Placement Memorandum with the Exchange/ Registrar of Companies;

(v) Listing & trading permission from the Exchange;

(w) Details of the recovery expenses fund to be created by the Company in the manner as may be specified by the SEBI from time to time along with duly acknowledged letter / confirmation from Exchange on the amount of such fund maintained and the mode of maintenance.

(x) Bank account details of the Company along with copy of pre-authorisation letter issued by Company to it's banker in relation to the payment of interest and the Redemption Amount;

(y) insurance policies taken in the name of the Debenture Trustee, if any;

(z) copies of all information required to be provided by the Company under Applicable Law to any Governmental Authority (including to the Exchange); and

(aa) Such other documents as may be reasonably required by the Debenture Trustee.

(xii) The Company shall agree and confirm that the purpose of the Debentures is not for providing loan to or acquisitions of shares of any person who is a part of the same group or who is under the same management as the Company.

(xiii) **Information Accuracy and Storage**

(a) The Company shall declare that the information and data furnished by the Company to the Debenture Trustee is true and correct and that the Debenture Trustee may in good faith rely upon the same and shall not be liable for acting or refraining from acting upon such information or data furnished to it under the Debenture Trustee Appointment Agreement;

(b) The Company shall confirm that the requisite disclosures made in the Transaction Documents are true and correct;

(c) All disclosures made in the Transaction Documents with respect to creation of Security Interest shall be in confirmation with the clauses of the Debenture Trustee Appointment Agreement;

(d) The Company shall undertake and acknowledge that the Debenture Trustee and any other authorized agency may use, process the information and data disclosed to the Debenture Trustee in the manner as deemed fit by them in relation to the purpose of the due diligence to be undertaken in relation to the issuance of the

Debentures; and

(e) The Company shall agree that the Debenture Trustee shall have an unqualified right to disclose to the Debenture Holders (in accordance with the Applicable Law) information including the credit history and the conduct of the account(s) of the Company as well as all details in relation to the assets of the Company and all third party security providers, guarantors and other undertaking providers, in such manner and through such medium as the Debenture Trustee in its absolute discretion may think fit. The Company agrees that such disclosure shall not be considered to be breach of confidentiality on the part of the Debenture Trustee.

Other Terms and Conditions

(i) The Trustee, *ipso facto* does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by the Debenture Holders for the Debentures.

(ii) The Company shall declare and confirm that the assets on which the charge is proposed to be created to secure the Debentures are free from encumbrances and if assets which are required to be charged to secure the Debentures are already encumbered, the Company has obtained permissions or consent to create pari passu charge on the assets of the Company from all the existing charge holders.

(iii) The Company shall confirm that all necessary disclosures shall be made in the Placement Memorandum including but not limited to statutory and other regulatory disclosures.

(iv) The Company shall on or prior to the date of execution of Debenture Trust Deed, provide to the Debenture Trustee, the bank account details from which the Company proposes to make the payment of Redemption Amount and interest due to the Debenture holder. Further, the Company shall undertake that it shall preauthorize the Debenture Trustee to seek the Redemption Amount and interest payment related information from such bank.

(v) The Company shall confirm that:

(i) All covenants proposed to be included in Debenture Trust Deed (including any side letter, accelerated payment clause, fees charged by the debenture trustee, etc.) are disclosed in the Placement Memorandum; and

(ii) Terms and conditions of the Debenture Trustee Appointment Agreement including fees charged by the Debenture Trustee and process of due diligence carried out by Debenture Trustee shall be disclosed under the Placement Memorandum.

ANNEXURE VII -SUMMARY INFORMATION OF OUR UNCONSOLIDATED/STANDALONE ASSETS AND LIABILITIES

Balance Sheet

	Particulars	**Dec22 (SFL)**	**Sep 22 (SFL)**	**Mar22**	**Mar 21**	**Mar 20**
	ASSETS					
(1)	Financial assets					
(a)	Cash and cash equivalents	9,696.78	17,896.92	10,662.44	11,050.93	3,088.99
(b)	Bank balance other than (a) above	7,046.93	7,298.19	5,692.72	5,390.89	4,225.93
(c)	Derivative financial instruments	636.95	955.61	201.40	169.25	758.73
(d)	Receivables					-
	(I) Trade receivables	24.93	32.99	5.35	8.92	10.50
	(II) Other receivables	224.93	215.45	192.67	49.90	5.64
(e)	Loans	1,65,043.34	1,57,625.29	1,16,665.15	1,08,303.04	1,02,231.63
(f)	Investments	9,359.58	11,299.87	6,971.23	3,346.77	2,935.63
(g)	Other financial assets	97.26	95.32	51.45	49.03	45.15
	Total financial assets	**1,92,130.70**	**1,95,419.64**	1,40,442.41	1,28,368.73	1,13,302.20
(2)	Non-financial Assets					
(a)	Current tax assets (net)	422.70	249.46	228.24	171.73	249.10
(b)	Deferred tax assets (net)	1,660.16	1,456.32	869.38	639.14	62.50
(c)	Investment property	1.94	1.95	1.97	2.00	2.03
(d)	Property, plant and equipment	190.91	188.07	110.56	124.44	149.88
(e)	Right-of-use assets	486.87	475.60	302.52	308.51	327.84
(f)	Goodwill	1,408.63	1,408.63			
(g)	Other intangible assets	1,518.78	1,515.83	3.04	2.39	2.67
(h)	Other non-financial assets	454.32	462.06	310.04	210.84	169.57
(i)	Intangible Assets under development	66.08	15.98			
	Total non-financial assets	**6,210.39**	**5,773.90**	1,825.75	1,459.05	963.59
	Total assets	**1,98,341.08**	**2,01,193.54**	1,42,268.16	1,29,827.78	1,14,265.79
	LIABILITIES AND EQUITY					
	Liabilities					
(1)	Financial liabilities					

	Particulars	Dec22 (SFL)	Sep 22 (SFL)	Mar22	Mar 21	Mar 20
(a)	Payables					
	(I) Trade payables					
	(i) total outstanding dues of micro enterprises and small enterprises	0.03	0.02	0.02	-	0.40
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	302.34	259.57	166.01	255.51	143.44
	(II) Other payables					-
	(i) total outstanding dues of micro enterprises and small enterprises	0.26	0.75	1.46	0.37	
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.63	0.89	1.21	0.54	1.13
(b)	Debt securities	44,944.66	52,817.04	41,256.55	40,061.87	34,266.96
(c)	Borrowings (other than debt securities)	69,251.77	68,277.11	46,676.93	45,281.37	42,474.60
(d)	Deposits	34,496.12	32,545.09	21,948.98	16,232.41	11,960.12
(e)	Subordinated liabilities	4,635.02	4,577.73	4,614.25	4,620.76	5,670.07
(f)	Lease liabilities	559.05	544.14	349.43	349.49	362.81
(g)	Other financial liabilities	965.89	959.65	859.64	964.35	912.32
	Total financial liabilities	**1,55,155.77**	**1,59,981.99**	1,15,874.48	1,07,766.67	95,791.85
(2)	Non-financial liabilities					
(a)	Current tax liabilities (net)	494.41	287.71	36.82	102.02	102.02
(b)	Provisions	180.23	182.79	138.18	142.54	146.33
	Deferred tax liabilities (net)				-	-
(c)	Other non-financial liabilities	90.44	119.24	124.42	99.26	83.28
	Total non-financial liabilities	**765.08**	**589.74**	299.42	343.82	331.63
	Total liabilities	**1,55,920.85**	**1,60,571.73**	1,16,173.90	1,08,110.49	96,123.48
(3)	Equity					
(a)	Equity share capital	374.43	374.43	270.52	253.06	226.88
(b)	Other equity	42,045.80	40,247.38	25,823.74	21,464.23	17,915.43
	Total equity	**42,420.23**	**40,621.81**	26,094.26	21,717.29	18,142.31

	Particulars	**Dec22 (SFL)**	**Sep 22 (SFL)**	**Mar22**	**Mar 21**	**Mar 20**
	Total liabilities and equity	**1,98,341.08**	**2,01,193.54**	1,42,268.16	1,29,827.78	1,14,265.79

Profit and Loss Statement

	Particulars	Dec 22 (SFL)	Sep 22 (SFL)	Mar22	Mar 21	Mar 20
	Revenue from operations					
(i)	Interest income	20,860.45	13,686.48	18,646.26	17,128.14	16,267.46
(ii)	Dividend income	6.52	6.52	-	-	0.19
(iii)	Rental income	0.12	0.08	0.17	0.21	0.22
(iv)	Fees and commission income	500.05	306.42	100.08	115.86	194.97
(v)	Net gain on fair value changes	256.62	159.61	221.70	21.80	-
(vi)	Net gain on derecognition of financial instruments under amortised cost category	126.97	82.44	217.74	58.85	-
(vii)	Other operating income	266.13	166.30	69.22	95.59	99.52
(I)	Total Revenue from operations	**22,016.86**	**14,407.85**	19,255.17	17,420.45	16,562.36
(II)	Other Income	17.60	14.32	19.06	15.95	20.27
(III)	Total Income (I + II)	**22,034.46**	**14,422.17**	19,274.23	17,436.40	16,582.63
	Expenses					
(i)	Finance cost	9,281.25	6,169.29	9,734.31	9,054.26	8,270.26
(ii)	Fees and commission expense	253.53	151.79	91.74	78.89	56.88
(iii)	Net loss on fair value changes	-	-	-	-	6.75
(iv)	Net loss of derecognition of financial instruments under amortised cost category	-	-	-	-	-
(v)	Impairment on financial instruments	2,974.53	2,057.28	3,860.86	3,118.40	2,794.88

	Particulars	Dec 22 (SFL)	Sep 22 (SFL)	Mar22	Mar 21	Mar 20
(vi)	Employee benefits expenses	1,815.39	1,176.29	997.09	906.25	1,010.82
(vii)	Depreciation, amortization and impairment	166.32	108.23	135.37	137.36	141.05
(viii)	Other expenses	1,254.94	855.14	905.61	863.23	863.32
(IV)	Total Expenses	**15,745.96**	**10,518.02**	15,724.98	14,158.39	13,143.96
(V)	Profit before exceptional items and tax (III - IV)	**6,288.50**	**3,904.15**	3,549.25	3,278.01	3,438.67
(VI)	Exceptional items		-	-	-	-
(VII)	Profit before tax (V+ VI)	**6,288.50**	**3,904.15**	3,549.25	3,278.01	3,438.67
(VIII)	Tax expense:					
	(1) Current tax	2,175.82	1,370.91	1,112.57	1,197.77	921.20
	(2) Deferred tax	(557.76)	(360.82)	-188.93	-545.36	14.79
	(3) Tax adjustment for earlier years	(0.59)	-	-82.32	138.34	0.84
(IX)	Profit for the year from continuing operations (VII-VIII)	**4,671.03**	**2,894.06**	2,707.93	2,487.26	2,501.84
(X)	Share of profit of associate	-	-	13.17	11.57	10.43
(XI)	Profit for the year (IX + X)	**4,671.03**	**2,894.06**	2,721.10	2,498.83	2,512.27
(XII)	Other comprehensive income					
A	(i) Items that will not be reclassified to profit or loss					
	Remeasurement gain/(loss) on defined benefit plan	(6.73)	(10.38)	-3.24	-	-6.33
	Share of other comprehensive income from associates	(10.61)	(18.68)	-0.03	0.27	0.34

	Particulars	Dec 22 (SFL)	Sep 22 (SFL)	Mar22	Mar 21	Mar 20
	(ii) Income tax relating to items that will not be reclassified to profit or loss	4.36	7.31	0.82	-	1.59
	Tax on share of other comprehensive income from associates	-	-	0.01	-0.07	-0.09
	Subtotal (A)	**(12.98)**	**(21.75)**	-2.44	0.20	-4.49
B	(i) Items that will be reclassified to profit or loss					
	Cash flow hedge					
	Gain/(loss) on effective portion of hedging instruments in a cash flow hedge	(173.85)	(134.74)	-160.87	-124.31	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	43.75	33.91	40.49	31.29	-
	Subtotal (B)	**(130.10)**	**(100.83)**	-120.38	-93.02	-
	Other comprehensive income (A + B)	**(143.08)**	**(122.58)**	-122.82	-92.82	-4.49
(XIII)	Total Comprehensive income for the year (XI + XII)	**4,527.95**	**2,771.48**	2,598.28	2,406.01	2,507.78
(XIV)	Earnings per equity share (face value Rs. 10/- per equity share)					
	Basic (Rs.)	124.75	77.29	102.23	101.44	110.73
	Diluted (Rs.)	124.24	76.99	102.23	101.44	110.73

Note - (1) The figures for the period after the appointed date for the merger of STFC and the Merged Entities (i.e. April 01, 2022) have been restated to take the effect of merger and are therefore not comparable with figures of STFC for the corresponding previous year periods or previously reported figures of STFC for the said quarters.
(2) *SFL means Shriram Finance Limited*
(3) STFC means Shriram Transport Finance Company Limited
(4) Merged Entities means Shriram Capital Limited and Shriram City Union Finance Limited

Cashflow Statement (Rs. In Crores)

	Particulars	Sept 22 (STFC)	June 22 (STFC)	Mar 22 (STFC)	Mar 21 (STFC)	Mar 20 (STFC)
A	Cash flow from Operating activities					
	Profit before tax	2,747.58	1,306.88	3,549.25	3,278.01	3,438.67
	Depreciation, amortisation and impairment	69.83	34.94	135.37	137.36	141.05
	Interest on income tax refund	-	-	-	-	-5.80
	Loss on sale of investments	-	-	-	-	0.12
	Loss/(profit) on sale of fixed assets (net)	-	-	-	-	-1.17
	Interest income	(9,728.47)	(4,841.32)	-18,028.13	-16,611.31	-
	Finance costs	5,048.50	2,457.93	9,734.31	9,054.26	-
	Loss/(profit) on sale of property plant and equipments (net)	0.49	0.25	0.79	0.65	-
	Impairment on loans	1,487.32	815.49	3,865.02	3,128.29	2,748.87
	Impairment on investments	(7.59)	(8.61)	-2.00	-4.22	42.22

	Particulars	Sept 22 (STFC)	June 22 (STFC)	Mar 22 (STFC)	Mar 21 (STFC)	Mar 20 (STFC)
	Impairment on undrawn loan commitment	(2.76)	(2.00)	-4.00	-5.45	4.39
	Impairment on other assets	0.54	0.28	1.84	-0.22	-0.60
	Net (gain)/loss on fair value changes on investment	(150.55)	(62.44)	-236.83	-2.85	0.87
	Net (gain)/loss on sale of mutual funds and certificate of deposits	-	-	-	-20.02	-
	Net (gain)/loss on fair value changes on direct assignment	16.03	9.36	15.13	1.07	-
	Net (gain)/loss on fair value changes on derivatives	-	-	-	-	5.88
	Net gain on derecognition of financial instruments under amortised cost category	83.96	28.75	217.74	47.05	-
	Cash inflow from interest on loans	9,451.29	4,661.37	18,006.70	18,405.90	-
	Cash outflow towards finance costs	(3,544.94)	(1,705.91)	-8,588.09	-7,745.19	-
	Operating profit before working capital changes	5,471.33	2,694.97	8,667.10	9,663.33	6,374.50
	Movements in Working capital:					
	Decrease/(increase) in loans	8,673.59	(3,978.79)	-12,205.70	-10,994.29	-8,229.03
	(Increase)/decrease in investments	(1,141.80)	(61.09)	-3,372.48	-372.28	1,157.38
	Decrease/(increase) in receivables	(114.48)	(31.82)	-372.06	-90.83	12.28
	Decrease/(increase) in bank deposits	(514.36)	(809.06)	-301.83	-1,164.96	-1,273.60
	Decrease/(increase) in other financial assets	(1.37)	0.21	-4.26	-10.11	-7.67
	Decrease/(increase) in other non-financial assets	26.08	(0.32)	-14.67	-41.13	-28.09
	Increase/(decrease) in payables	13.48	(10.57)	13.51	111.67	10.38
	Increase/(decrease) in other financial liabilities	(90.41)	(71.58)	-138.25	-99.05	-104.04
	Increase/(decrease) in non-financial liabilities	(48.88)	(70.63)	25.16	15.98	13.79
	Increase/(decrease) other provision	14.94	8.93	-3.60	1.66	7.69
	Cash used in operations	(5,059.16)	(2,329.75)	7,708.08	-2,980.01	-2,066.41
	Direct taxes paid (net of refunds)	(876.62)	(337.98)	-1151.94	-1,258.75	-1,065.03
	Net cash flows from/(used in) operating activities (A)	(5,935.78)	(2,667.73)	8,859.02	-4,238.76	-3,131.44
	Cash flow from Investing activities					
	Purchase of property, plant and equipment and intangible assets	(41.90)	(28.57)	-35.75	-25.82	-57.80
	Proceeds from sale of property, plant and equipment and intangible assets	0.97	0.27	1.42	0.93	2.60
	Net cash generated from/(used in) investing activities (B)	(40.93)	(28.30)	34.33	-24.89	-55.20
	Proceeds from issue of share capital (including share premium and net of share issue expenses)	-	-	2,478.57	1,472.64	-
	Proceeds/(repayment) on settlement of derivative contracts	(754.21)	(413.03)	-32.15	589.48	-826.31
	Increase / (decrease) in Fixed deposits (net)	2,600.81	1,152.16	5,443.14	4,206.86	4,433.61
	Repayments of deposit	-	-	-	-	-2,940.82
	Amounts received from debt securities	5,434.30	1,245.00	16,637.86	10,636.15	13,085.18
	Repayments of debt securities	(1,915.39)	23.09	-16,203.36	-5,797.45	-9,557.89
	Proceeds/(repayment) of subordinated debts	(115.14)	(50.08)	-50.32	-1,069.27	-449.01
	Amounts received from borrowings other than debt securities	24,859.26	12,034.15	41,477.93	38,480.04	42,569.54
	Repayments of borrowings other than debt securities	(21,396.75)	(10,521.09)	-40,280.10	-36,032.94	-40,683.27
	Payment of Lease Liabilities	(59.70)	(30.12)	-114.90	-107.33	-56.20

	Particulars	Sept 22 (STFC)	June 22 (STFC)	Mar 22 (STFC)	Mar 21 (STFC)	Mar 20 (STFC)
	Dividend paid	(0.34)	0.70	-851.81	-152.59	-272.38
	Tax on dividend	-	-	-	-	-55.96
	Net cash flows from financing activities (C)	8,652.83	3,440.78	8,504.86	12,225.59	5,246.49
	Net increase in cash and cash equivalents (A+B+C)	2,676.12	744.75	-388.49	7,961.94	2,059.85
	Add: Adjustment on disposal of subsidiary	-	-	-	-	-
	Cash and cash equivalents at the beginning of the year	10,662.44	10,662.44	11,050.93	3,088.99	1,029.14
	Cash and cash equivalents at the end of the year	13,338.56	11,407.19	10662.44	11,050.93	3,088.99

	Cash and cash equivalents at the end of the year	As at Dec 31, 2022 (SFL)	As at Sep 30, 2022 (SFL)	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	i) Cash on hand	133.35	152.70	95.05	79.61	41.24
	ii) Cheques on hand	6.60	4.85	5.56	6.16	2.38
	iii) Balances with banks (of the nature of cash and cash equivalents)	4,857.42	5,657.33	2,654.78	5,014.78	1,810.59
	iv) Call Money (CBLO)	974.58	3,498.28	3,198.60	2,498.85	-
	v) Bank deposit with original maturity less than three months	3,724.83	8,583.76	4708.45	3,451.53	1,234.78
	Total	**9,696.78**	**17,896.92**	10,662.44	11,050.93	3,088.99

Note - (1) The figures for the period after the appointed date for the merger of STFC and the Merged Entities (i.e. April 01, 2022) have been restated to take the effect of merger and are therefore not comparable with figures of STFC for the corresponding previous year periods or previously reported figures of STFC for the said quarters.
(2) *SFL means Shriram Finance Limited*
(3) STFC means Shriram Transport Finance Company Limited
(4) Merged Entities means Shriram Capital Limited and Shriram City Union Finance Limited

ANNEXURE VIII: LENDING POLICY

(ATTACHED SEPARATELY)

ANNEXURE IX: LATEST ALM STATEMENT

(attached separately)

ANNEXURE X: RELATED PARTY TRANSACTIONS

(Attached Separately)

ANNEXURE XI: DUE DILIGENCE CERTIFICATE

CATALYST
Believe in yourself... Trust us!

CTL/22-23/7224

(Annexure A)

DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM
(Applicable for Secured and Unsecured Issuances)

To,
The Manager,
BSE Limited,
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400 001

Dear Sir / Madam,

SUB.: Issue of Secured Rated Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only), for cash, at par ("Non-Convertible Debentures"); and/or (ii) Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) for cash, at par ("Market Linked Debentures", together with the Non-Convertible Debentures, the "Debentures"), for an amount aggregating upto Rs. 5000,00,00,000/- (Rupees Five Thousand Crores only), on private placement basis, in multiple Series/ Tranches by Shriram Finance Limited.

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1) **We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.**
2) **On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:**

We confirm that:

a) **The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.**

b) **The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).**

c) **The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.**

d) **Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information**

CATALYST TRUSTEESHIP LIMITED (Formerly GDA Trusteeship Limited)
An ISO 9001 Company
Mumbai Office Window 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098 Tel +91 (022) 4922 0555 Fax +91 (022) 4922 0505
Regd. Office GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038 Tel +91 (020) 25280081 Fax +91 (020) 25280275
Delhi Office Office No. 810, 8th Floor, Kalpak Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 Tel +91 (0) 29101102
CIN No. U74999PN1997PLC150262 Email dt@catalysttrustee.com Website www.catalysttrustee.com
Pune | Mumbai | Bangalore | Delhi | Chennai

ANNEXURE XII

1. ***Updated disclosures under Section 3: Regulatory Disclosures of the Shelf Placement Memorandum***

Other than to the limited extent set out hereunder, please refer to the Shelf Placement Memorandum for disclosures under the SEBI Debt Listing Regulations and Companies Act and rules made thereunder.

PART A:

Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued vide circular number SEBI/LAD-NRO/GN/2021/39 dated August 09, 2021, as amended from time to time.

A. A columnar representation of the audited financial statement both on standalone and consolidated basis for a period of three completed years along with the auditor's report and the requisite schedules, footnotes, summary etc.

For Shriram Transport Finance Company Limited

Please refer to Annexure VII of this Shelf Placement Memorandum

For Shriram City Union Finance Limited

Please refer to Annexure VIII of this Shelf Placement Memorandum

B. Key operational and financial parameters for the last 3 audited years

For Shriram City Union Finance Limited

A summary of Key operational and Financial Parameters derived from IND AS Financial statements on a standalone basis for the period ended September 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020 are as follows

Rs. In Lakhs

Parameters	September 2022 - FY23 (IND AS)	FY22 (IND AS)	FY21 (IND AS)	FY20 (IND AS)
Balance sheet				
Total Financial assets	41,94,377.48	39,52,530.70	33,69,663.59	30,48,336.68
Total Non-Financial Assets	55,911.12	54,233.73	51,339.92	49,088.32
Total Assets	**42,50,288.60**	**40,06,764.43**	**34,21,003.51**	**30,97,425.00**
Total Financial Liabilities	32,69,436.43	31,00,620.58	26,04,241.40	23,70,510.37
Total Non-financial liabilities	5,998.48	8,896.21	4,909.52	6,119.06
Equity (equity and other equity)	9,74,853.69	8,97,247.64	8,11,852.59	7,20,795.57
Total equity and liabilities	**42,50,288.60**	**40,06,764.43**	**34,21,003.51**	**30,97,425.00**
Profit and Loss				
Total Revenue	**3,80,701.13**	**6,53,039.23**	**5,73,843.47**	**5,88,714.49**
From operations	3,80,515.31	6,52,675.60	5,73,069.65	5,88,393.59
Other Income				

	185.82	363.63	773.82	320.90
Total Expenses	**2,91,001.30**	**5,06,914.86**	**4,34,904.72**	**4,53,214.39**
Total Comprehensive income	**66,376.85**	**1,06,837.39**	**1,02,409.29**	**99,162.81**
Other Comprehensive Income	**830.14**	**1,782.11**	**1,314.87**	**-889.19**
Profit/Loss before Tax	**89,699.83**	**1,46,124.37**	**1,38,938.75**	**1,35,500.10**
Profit/Loss after Tax	**67,206.99**	**1,08,619.50**	**1,01,094.42**	**1,00,052.00**
Earnings per equity share (Face Value of Rs.10 per equity share)				
Basic (Rs.)	100.73	164.16	153.16	151.60
Diluted (Rs.)	99.46	163.17	152.81	151.57
Cash Flow				
Net cash from /(used in) operating activities	-2,30,850.91	-2,69,797.93	-53,621.66	58,567.83
Net cash from /(used in) investing activities	-535.20	-52,274.92	-1,736.03	19,233.43
Net cash from /(used in) financing activities	1,65,479.93	4,62,276.04	2,27,703.08	33,244.58
Cash and cash equivalents at the beginning of the year	5,21,731.36	3,81,528.17	2,09,182.78	98,136.94
Cash and cash equivalents at the end of the period	4,55,825.18	5,21,731.36	3,81,528.17	2,09,182.78
Additional information				
Networth	9,47,033.06	8,72,797.45	7,90,543.07	7,06,885.25
Cash and cash equivalents	4,55,825.18	5,21,731.36	3,81,528.17	2,09,182.78
Investments	2,29,423.91	1,83,628.24	1,01,732.24	73,413.97
Assets Under Management as per Ind AS (2)	36,04,795.10	33,10,360.67	29,46,518.91	28,65,652.55
Off Balance Sheet Assets as per Ind AS (2)	6,953.56	8,215.46	10,581.09	42,847.45
Total Borrowings	32,31,201.81	30,63,181.56	25,56,530.92	23,16,583.92
Interest Income	3,63,752.60	6,21,422.90	5,57,155.86	5,69,715.83
Finance cost	1,41,411.26	2,53,252.52	2,13,388.43	2,14,044.86
Total Debts to Total assets	0.76	0.76	0.75	0.75
Debt Service coverage ratio	N.A	N.A	N.A	N.A
Interest coverage ratio	N.A	N.A	N.A	N.A
Provisioning & Write offs	45,281.40	88,765.58	85,085.60	88,371.12
Bad Debts to Accounts receivable ratio	N.A	N.A	N.A	N.A
Stage 3 Assets as a percentage of Total Loan assets as per Ind AS(gross of Provisions)(Percent)(4)	5.93%	6.31%	6.37%	7.90%

Stage 3 Assets net of Stage 3 Provisions as a percentage of Net Loan assets as per Ind AS(Percent)(5)	3.29%	3.30%	3.08%	4.23%
Tier I Capital Adequacy Ratio (Percent)	25.94%	26.78%	28.64%	27.69%
Tier II Capital Adequacy Ratio (Percent)	0.27%	0.00%	0.00%	0.00%

A summary of Key operational and Financial Parameters derived from IND AS Financial statements on a consolidated basis for the period ended September 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020 are as follows

Rs. In Lakhs

Parameters	September 2022 - FY23 (IND AS)	FY22 (IND AS)	FY21 (IND AS)	FY20 (IND AS)
Balance Sheet				
Total Financial Assets	47,43,894.57	43,89,495.42	37,24,601.65	32,67,040.89
Total Non-Financial Assets	70,460.96	66,280.85	62,031.07	61,853.78
Total Assets	**48,14,355.53**	**44,55,776.27**	**37,86,632.72**	**33,28,894.67**
Total Financial Liabilities	37,74,623.28	34,97,924.02	29,26,867.17	25,67,527.93
Total Non-Financial Liabilities	10,226.23	12,696.63	7,938.27	7,381.08
Equity (Equity and Other Equity)	10,11,213.99	9,27,844.62	8,38,754.18	7,42,356.21
Non-Controlling Interest	18,292.03	17,311.00	13,073.10	11,629.45
Total Equity and Liabilities	**48,14,355.53**	**44,55,776.27**	**37,86,632.72**	**33,28,894.67**
Profit and Loss				
Total revenue	**4,15,956.65**	**7,05,994.98**	**6,16,188.06**	**6,23,915.35**
From Operations	4,15,726.82	7,05,543.26	6,15,097.69	6,23,310.82
Other Income	229.83	451.72	1,090.37	604.53
Total Expenses	**3,17,396.73**	**5,49,135.15**	**4,68,386.88**	**4,83,266.93**
Total Comprehensive Income	**73,022.69**	**1,14,706.96**	**1,09,088.75**	**1,02,438.80**
Other Comprehensive Income	**-832.25**	**-1,767.71**	**1,317.21**	**-882.46**
Profit/ loss before Tax	**98,559.92**	**1,56,859.83**	**1,47,801.18**	**1,40,648.42**
Profit / loss after Tax	**73,878.37**	**1,16,474.67**	**1,07,771.54**	**1,03,321.26**
Earnings per equity share (face value Rs. 10/- per equity share)				
Basic	109.28	174.07	161.13	154.95
Diluted	107.91	173.02	160.76	154.92

Cash Flow				
Net cash from / (used in) operating activities	-3,08,934.37	-3,86,127.34	-1,95,139.82	44,588.22
Net cash from / (used in) investing activities	-6,816.82	-13,377.59	7,193.67	25,909.83
Net cash from / (used in) financing activities	2,59,567.00	5,34,772.02	3,55,534.02	53,971.67
Cash and cash equivalents at the beginning of the year / period	5,26,908.73	3,91,641.65	2,24,053.78	99,584.06
Cash and cash equivalents at the end of the year / period	4,70,724.54	5,26,908.73	3,91,641.65	2,24,053.78
Additional Information				
Net worth (1)	9,82,774.00	9,02,735.00	8,16,534.97	7,27,594.42
Cash and Cash equivalents	4,70,724.54	5,26,908.73	3,91,641.65	2,24,053.78
Investments	1,83,352.48	1,30,948.17	92,414.31	72,318.17
Asset Under Management as per IND AS (2)	41,64,960.24	37,67,814.20	32,89,128.66	30,68,089.28
Off Balance sheet assets as per IND AS (3)	1,01,380.69	86,263.18	60,916.04	71,000.72
Total Borrowings	37,28,377.83	34,54,051.18	28,74,614.56	25,09,486.18
Interest Income	3,93,505.91	6,66,359.76	5,89,690.43	5,97,509.45
Finance cost	1,58,418.93	2,81,312.56	2,34,105.03	2,30,326.13
Total Debts to Total Assets	0.77	0.78	0.76	0.75
Debt Service Coverage Ratio	N.A	N.A	N.A	N.A
Interest Service Coverage Ratio	N.A	N.A	N.A	N.A
Provisioning and Write Off	46,068.79	89,822.16	87,059.34	90,930.23
Bad Debts to Account receivable ratio	N.A	N.A	N.A	N.A
Stage 3 Assets as a percentage of Total Loan Assets as per IND AS (gross of Provisions) (Per cent) (4) - Shriram City Union Finance Limited	5.93%	6.31%	6.37%	7.90%
Stage 3 Assets as a percentage of Total Loan Assets as per IND AS (gross of Provisions) (Per cent) (4) - Shriram Housing Finance Limited	1.52%	1.72%	1.87%	2.41%
Stage 3 Assets net of Stage 3 provisions as a percentage of Net Loan Assets as per IND AS (Per cent) (5) - Shriram City Union Finance Limited	3.29%	3.30%	3.08%	4.23%
Stage 3 Assets net of Stage 3 provisions as a percentage of Net Loan Assets as per IND AS (Per cent) (5) - Shriram Housing Finance Limited	1.16%	1.32%	1.47%	1.90%

Tier I Capital Adequacy Ratio (per cent) - Shriram City Union Finance Limited	25.94%	26.78%	28.64%	27.69%
Tier I Capital Adequacy Ratio (per cent) - Shriram Housing Finance Limited	26.33%	29.87%	22.08%	26.93%
Tier II Capital Adequacy Ratio (per cent) - Shriram City Union Finance Limited	0.27%	0.00%	0.00%	0.00%
Tier II Capital Adequacy Ratio (per cent) - Shriram Housing Finance Limited	0.94%	1.02%	0.95%	0.83%

Notes:

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

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

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

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

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

For Shriram City Union Finance Limited

Contingent liabilities and commitments

(A) Contingent Liabilities

	Particulars	**As at March 31, 2022**
a.	In respect of Income tax demands where the Company has filed appeal before various authorities	116.45
b.	VAT demand where the Company has filed appeal before various Appellate	259.95
c.	Service tax demand	8,019.29
	Total	**8,395.69**

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

(B) Commitments not provided for

	Particulars	**As at March 31,**

		2022
a.	Estimated amount of contracts remaining to be executed on capital account, net of advances	559.36
b.	Commitments related to loans sanctioned but undrawn	6,402.47

PART B

Disclosures under Operational Circular issued by Securities Exchange Board of India vide circular number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time.

Please refer to Schedule 1 for Shriram City Union Finance Limited for details pursuant to the other disclosures under the SEBI Debt Listing and the Operational Circular issued by Securities Exchange Board of India vide circular number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

Please refer to Shelf Placement Memorandum for details pursuant to the other disclosures under the SEBI Debt Listing and the Operational Circular issued by Securities Exchange Board of India vide circular number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 for Shriram Transport Finance Company Limited.

PART C

Disclosures under Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014

Please refer to Schedule 2 for the same.

SCHEDULE 1

Additional Disclosures for NBFCs on Asset Liability Management

For Shriram City Union Finance Limited

Sr. No.	Particulars of disclosure	Details	Remarks
1.	Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC	Lending Policy Classification of loans/ advances given to associates, entities/ person relating to board, senior management, promoters, others, etc. Classification of loans/ advances given, according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc. Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on corporate governance for NBFCs from time to time. Details of loans, overdue and classified as non-performing in accordance with RBI stipulations	Lending Policy: Please refer Annexure VIII for latest lending policy of SFL Limited Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc – NIL Aggregated exposure to top 20 borrowers: 0.43% Details of loans, overdue and classified as Non-performing assets (NPA): Please refer to para (i) below
2.	Details of borrowings made by NBFC	Portfolio Summary of borrowings made by NBFC Quantum and percentage of Secured vs. Unsecured borrowings	Portfolio Summary of borrowings made by NBFC - Please refer to para (ii) below Quantum and percentage of Secured vs. Unsecured borrowings- Secured Borrowings - Rs. 24,80,639- 76.77% Unsecured Borrowings - Rs. 7,50,562.81 – 23.23% Total - Rs. 32,31,201.81 – 100%
3.	Details of change in shareholding	Any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by Reserve Bank of India	NIL
4.	Disclosure of Assets under management	Segment wise break up and type of loans	Please refer to para (vi) and para (viii) below

5.	Details of Borrowers	Geographical location wise	Please refer to para (x) below
6.	Details of Gross NPA	Segment wise	Please refer to para (xii) below
7.	Details of Assets and Liabilities	Residual maturity profile wise into several buckers	Please refer to para (xiii) below
8.	Disclosure of latest ALM statements to stock exchange		Please refer to Schedule 9

(i) Details of loans, overdue and classified as non-performing in accordance with RBI stipulations;

Particulars	As on September 30, 2022
i) Standard (No Overdue)	2,261,577.02
ii) Overdue [ii.a.1 + ii.a.2 + ii.a.3]	1,129,458.49
ii.a.1 Overdue less than 30 days	715,399.46
ii.a.2 Overdue for 30 to 60 days	320,855.28
ii.a.3 Overdue more than 60 days to 90 days	93,203.75
A PERFORMING (i + ii)	**3,391,035.51**
iii) Substandard	142,969.65
iv) Doubtful	70,789.94
v) Loss	0.00
B. NON-PERFORMING (iii + iv + v)	**213,759.59**
C. Total (A + B)	**3,604,795.10**

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

Borrowing profile September 30, 2022

Borrowings	As on September 30, 2022	Percentage (%)
Redeemable Non-Convertible Debentures	696,673.71	
Term Loan from bank	1,034,182.01	
Term Loan from financial institution	350,743.59	
Securitisation from bank	12,951.51	
Securitisation from Others	105,610.50	
Cash credit	13,605.53	
Working Capital demand loan from banks	230,872.15	
Demand Loan against Fixed Deposits	36,000.00	
Total Secured Borrowings	**2,480,639.00**	**76.77%**
Unsecured Borrowings		
Deposits	750,562.81	
Total Unsecured Borrowings	**750,562.81**	**23.23%**
Total	**3,231,201.81**	

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

NPA Exposure	Amount in lakhs

Particulars	As on September 30, 2022
Gross Credit Exposure	3,604,795.10
Provisions (Stage 3)	98,570.03
GNPA - September 2022	5.93%
NNPA - September 2022	3.29%

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

Secured Borrowings - Rs. 24,80,639 lakhs – 76.77%

Unsecured Borrowings - Rs. 7,50,562.81 lakhs – 23.23%

Total - Rs. 32,31,201.81 lakhs - 100.00%

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

No change beyond the threshold limit.

(vi) Type of Loans

Sr. No.	Type of Loans	Rs. (in lakhs)	Percentage
1	Secured	2,838,726.03	78.75%
2	Unsecured	766,069.07	21.25%
	Total assets under management (AUM)	3,604,795.10	100.00%

(vii) Denomination of loans outstanding by loan-to-value for secured loans as on September 30, 2022:

Sr. No.	LTV (at the time of origination)	Percentage of AUM
1	Upto 40%	19.93%
2	40%-50%	9.91%
3	50%-60%	11.24%
4	60%-70%	13.78%
5	70%-80%	16.99%
6	80%-90%	21.22%
7	>90%	6.93%
	Total	**100%**

(viii) Sectoral Exposure as on September 30, 2022:

Sr. No.	Segment-wise break-up of AUM	Percentage of AUM
1	**Retail**	
A	Mortgages (home loans and loans against property)	
B	Gold loans	12.29%
C	Vehicle finance	27.47%
D	MFI	
E	MSME	41.67%
F	Capital market funding (loans against shares, margin funding)	
G	Others	18.57%
2	**Wholesale**	
A	Infrastructure	
B	Real estate (including builder loans)	
C	Promoter funding	

D	Any other sector (as applicable)	
E	Others	
	Total	**100%**

(ix) Denomination of loans outstanding by ticket size as on September 30, 2022:

Sr. No.	Ticket size (at the time of origination)*	Percentage of AUM
1	Upto Rs. 2 lakh	53.05%
2	Rs. 2-5 lakh	8.76%
3	Rs. 5 - 10 lakh	9.50%
4	Rs. 10 - 25 lakh	17.53%
5	Rs. 25 - 50 lakh	4.22%
6	Rs. 50 lakhs - 1 crore	3.38%
7	Rs. 1 - 5 crore	3.21%
8	Rs. 5 - 25 crore	0.35%
9	Rs. 25 - 100 crore	0.00%
10	>Rs. 100 crore	0.00%
	Total	**100%**

* Only Secured loans AUM considered

(x) Geographical classification of borrowers:

Sr. No.	Top 5 states	Percentage of AUM
1	Tamil Nadu	17.44%
2	Andhra Pradesh	21.46%
3	Telangana	16.07%
4	Maharashtra	14.11%
5	Uttar Pradesh	6.80%
	Total	**75.87%**

(xi) Details of loans overdue and classified as non-performing in accordance with RBI's stipulations:

I. Movement of gross NPA as on September 30, 2022

Movement of gross NPA*	Rupees (in crores) September 30, 2022
Opening gross NPA (Jun' 22)	2,109.19
- Additions during the year	685.16
- Reductions during the year	656.76
Closing balance of gross NPA (Sep' 22)	**2,137.60**

*90 days past due is NPA Recognition Policy

II. Movement of provisions for NPA as on September 30, 2022

Movement of provisions for NPA	Rupees (in crores) September 30, 2022
Opening gross NPA (Jun' 22)	994.01
- Additions during the year	317.47

- Write-off/ write-back of excess provisions	325.78
Closing balance (Sep' 22)	**985.70**

90 days past due is NPA Recognition Policy

(xii) Segment-wise gross NPA:

S. No	Segment- wise gross NPA	Gross NPA(%)
1	**Retail**	
A	Mortgages (home loans and loans against property)	
B	Gold loans	1.63%
C	Vehicle finance	6.14%
D	MFI	
E	MSME	6.71%
F	Capital market funding (loans against shares, margin funding)	
G	Others	6.70%
2	**Wholesale**	
A	Infrastructure	
B	Real estate (including builder loans)	
C	Promoter funding	
D	Any other sector (as applicable)	
E	Others	
Total		**5.93%**

(xiii) Residual maturity profile of assets and liabilities (in line with the RBI format) as on September 30, 2022:

(Rs. in lakhs)

Particulars	**0 to 7 days**	**8 to 14 days**	**15 to 30/31 Days**	**Over 1 month upto 2 Months**	**Over 2 months upto 3 Months**	**Over 3 months & up to 6 Months**	**Over 6 Months & up to 1 year**	**Over 1 year & up to 3 years**	**Over 3 years & up to 5 years**	**Over 5 years**	**Total**
Deposits	2,906.19	4,044.85	11,544.17	15,852.56	18,217.49	55,295.14	117,156.48	372,771.62	152,774.31	-	750,562.81
Advances*	168,940.73	49,881.96	66,055.90	170,092.60	177,444.83	496,629.41	808,140.90	1,049,861.21	252,899.73	154,641.12	3,394,588.39
Investments	-	927.78	7,492.32	1,561.35	25,308.53	297.67	9,792.57	65,940.92	45,627.32	72,475.45	229,423.91
Borrowings	8,696.86	5,441.03	33,378.87	77,970.82	144,520.23	344,172.72	658,686.38	925,850.55	133,181.35	148,740.19	2,480,639.00
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

SCHEDULE 2

Other than to the limited extent set out hereunder, please refer to the Shelf Placement Memorandum and Section 3 of this Shelf Placement Memorandum for disclosures pursuant to Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014.

A. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –

(a) Statutory dues
(b) Debentures and interest thereon:
(c) Deposits and interest thereon:
(d) Loan from any bank or financial institution and interest thereon:

For Shriram Transport Finance Company Limited and Shriram City Union Finance Limited
NIL

B. Any Default in Annual filling of the Company under the Companies Act, 2013 or the rules made there under: -

For Shriram Transport Finance Company Limited and For Shriram City Union Finance Limited
NIL

C. Particulars of the Offer

i) Financial Position of the Company for the last 3 Financial Year	*For Shriram Transport Finance Company Limited and Shriram City Union Finance Limited* Please refer to Annexure VII for the same.
ii) Date of passing of board resolution	Please refer to Shelf Placement Memorandum for the same.
iii) Date of passing of resolution in the general meeting, authorizing the offer of securities	Please refer to Shelf Placement Memorandum for the same.
iv) Kinds of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued;	Please refer to Section 3 of this Shelf Placement Memorandum
v) Price at which the security is being offered including the premium, if any, along with justification of the price	Please refer to Section 3 of this Shelf Placement Memorandum
vi) Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer.	Not Applicable. The Debentures are being issued at par.
vii) Relevant date with reference to which the price has been arrived at; (Relevant date means a date at least thirty days prior to the date on which the general meeting of the company is schedule to be held)	Not Applicable
viii) The class or classes of persons to whom the allotment is proposed to be made;	Please refer to the provisions regarding **'Who can Apply'** under the Shelf Placement Memorandum.
ix) Intention of promoters, directors or key managerial personnel to subscribe to	Not Applicable

the offer (applicable in case they intend to subscribe to the offer) [not in case of issue of non-convertible debentures]	
x) The Proposed time within which the allotment shall be completed.	Please refer to Section 3 of this Shelf Placement Memorandum
xi) The names of the proposed allottees and the percentage of post private placement capital that may be held by them [not required in case of issue of non- convertible debentures];	Not Applicable
xii) The change in control, if any in the company that would occur consequent to the private placement.	There would be no Change in control post issuance of Debentures.
xiii) The number of person to whom allotment on preferential basis / private placement / right issue has already been made during the year, in terms of number of securities as well as price.	Please refer to Section 3 of this Shelf Placement Memorandum
xiv) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not Applicable
xv) Amount which the company intends to raise by way of proposed offer of securities	Please refer to the Section 3 of this Shelf Placement Memorandum
xvi) Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment	Please refer to the Section 3 of this Shelf Placement Memorandum
xvii) Proposed time schedule for which the Private placement cum application letter is Valid.	Please refer to the summary term sheet set out in the Supplemental Placement Memorandum issued with respect to each Tranche/ Series of Debentures
xviii) Purposes and objects of the offer	Please refer to disclosure on Objects of the Issuer as set out in Section III above.
xix) Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	Nil
xx) Principle terms of assets charged as security, if applicable	Please refer to Section 3 of this Shelf Placement Memorandum
xxi) The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations	NIL

D. Pre-issue and post issue shareholding of the Company

Please refer to Part C of Section 3 of this Shelf Placement Memorandum for the shareholding pattern of Shriram Transport Finance Company Limited.

E. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC

Any financial or other material interest of the directors, promoters or key managerial personnel in the Issue and the effect of such interest in so far as it is different from the interests of other persons	*For Shriram Transport Finance Company Limited and Shriram City Union Finance Limited* NIL
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of the Company during the last 3 (three) years immediately preceding the year of the circulation of this Placement Memorandum and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	*For Shriram Transport Finance Company Limited and Shriram City Union Finance Limited* NIL
Remuneration of directors (during the current year and last 3 (three) financial years)	Please refer Part 3 of Shelf Placement Memorandum
Related party transactions entered during the last 3 (three) financial years immediately preceding the year of circulation of this Placement Memorandum including with regard to loans made or, guarantees given or securities provided	For Shriram Transport Finance Company Limited and Shriram City Union Finance Limited Annexure X
Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of circulation of this Placement Memorandum and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	*For Shriram Transport Finance Company Limited and Shriram City Union Finance Limited* NIL
Details of any inquiry, inspections or investigations initiated or conducted under the Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of offer letter in the case of the Company and all of its subsidiaries. Also if there were any were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this Placement Memorandum and if so, section-wise details thereof for the Company and all of its subsidiaries	*For Shriram Transport Finance Company Limited and Shriram City Union Finance Limited* NIL
Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company	*For Shriram Transport Finance Company Limited and Shriram City Union Finance Limited* NIL

F. Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter

For Shriram Transport Finance Company Limited

Please refer to Part C of the Shelf Placement Memorandum

For Shriram City Union Limited

Standalone

Year	Profit Before Tax Rs in Lacs	Provision for Tax Rs in Lacs	Profit after Tax
F.Y.2021-22	146124.37	37504.87	108619.50
F.Y. 2020-21	138938.75	37844.33	101094.42
F.Y. 2019-20	135500.10	35448.10	100052.00

G. Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)

For Shriram Transport Finance Company Limited

Please refer to Part C of the Shelf Placement Memorandum

For Shriram City Union Limited

Year	Dividend per share
F.Y. 2021-22	Rs.10 (1st Interim dividend) Rs.27 (2nd Interim dividend)
F.Y. 2020-21	Rs.10 (1st Interim dividend) Rs.10 (2nd Interim dividend) Rs. 13 (Final dividend)
F.Y. 2019-20	Rs. 6 (Interim dividend)

H. A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue.

For Shriram Transport Finance Company Limited and Shriram City Union Finance Limited

Please refer Annexure VII of this Shelf Placement Memorandum.

I. Audited Cash Flow Statement for the three years immediately preceding the date of issue:

For Shriram Transport Finance Company Limited and Shriram City Union Finance Limited

Please refer Annexure VII of this Shelf Placement Memorandum

Mr. Parag Sharma
Joint Managing Director & CFO
Shriram Transport Finance Company Limited
C-2, Level 3, West Wing, Wockhardt Towers,
Bandra Kurla Complex, Bandra (E),
2, NSC Bose Road,
Mumbai-400 051

January 27, 2023

Dear Sir/Madam,

Re: Rating Letter for non-convertible debenture (NCD) programme of Shriram Finance Limited (erstwhile Shriram Transport Finance Company Ltd.)

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of

INR329,559.33million of Non-Convertible Debentures: IND AA+/Stable

Out of the above rated amount Shriram Finance has already raised INR215,027.75 million of Non-Convertible Debentures

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

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

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

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

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have

shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

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

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

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

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

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

Sincerely,

India Ratings

Prakash Agarwal
Prakash Agarwal
Director

J Z Haria
Jindal Z Haria
Director

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)
NCD	INE721A07NA3	30/11/2017	8	30/11/2022	WD	700
NCD	INE721A07NL0	22/03/2018	8.72	22/03/2023	IND AA+/Stable	2415
NCD	INE721A07NS5	27/03/2018	8.72	27/03/2023	IND AA+/Stable	8250
NCD	INE721A07KG6	25/05/2016	9.05	25/05/2023	IND AA+/Stable	500
NCD	INE721A07KI2	09/06/2016	9.05	09/06/2023	IND AA+/Stable	125
NCD	INE721A07NT3	12/07/2018	8.93	12/07/2023	IND AA+/Stable	1504
NCD	INE721A07NW7	12/07/2018	9.3	12/07/2023	IND	5402

					AA+/Stable	
NCD	INE721A07NZ0	12/07/2018	9.30^	12/07/2023	IND AA+/Stable	903
NCD	INE721A07KP7	19/07/2016	9.05	19/07/2023	IND AA+/Stable	750
NCD	INE721A07OB9	02/11/2018	9.12	02/11/2023	IND AA+/Stable	946.3
NCD	INE721A07OE3	02/11/2018	9.5	02/11/2023	IND AA+/Stable	1143.2
NCD	INE721A07OH6	02/11/2018	9.50^	02/11/2023	IND AA+/Stable	421.3
NCD	INE721A07OM6	06/02/2019	9.12	06/02/2024	IND AA+/Stable	877.02
NCD	INE721A07OP9	06/02/2019	9.5	06/02/2024	IND AA+/Stable	1001.12
NCD	INE721A07OS3	06/02/2019	9.50 p.a (Cumulative effective yield)	06/02/2024	IND AA+/Stable	419.39
NCD	INE721A08DF1	22/01/2019	9.9	21/06/2024	IND AA+/Stable	5000
NCD	INE721A07HY5	18/09/2014	10.25	18/09/2024	IND AA+/Stable	3000
NCD	INE721A07IG0	10/10/2014	10.25	10/10/2024	IND AA+/Stable	4680
NCD	INE721A07II6	31/10/2014	10.1	31/10/2024	IND AA+/Stable	250
NCD	INE721A07IO4	13/11/2014	10	13/11/2024	IND AA+/Stable	3325
NCD	INE721A07IR7	28/11/2014	9.9	28/11/2024	IND AA+/Stable	1000
NCD	INE721A07NO4	26/03/2018	8.72	26/05/2025	IND AA+/Stable	600
NCD	INE721A07JX3	18/03/2016	9.3	18/03/2026	IND AA+/Stable	1000
NCD	INE721A07KB7	29/03/2016	9.3	27/03/2026	IND AA+/Stable	1400
NCD	INE721A07KD3	13/04/2016	9.22	13/04/2026	IND AA+/Stable	1790
NCD	INE721A07KE1	22/04/2016	9.2	22/04/2026	IND AA+/Stable	260
NCD	INE721A07LD1	08/08/2016	8.87	08/08/2026	IND AA+/Stable	1100
NCD	INE721A07NU1	12/07/2018	9.03	12/07/2028	IND AA+/Stable	499
NCD	INE721A07NX5	12/07/2018	9.4	12/07/2028	IND AA+/Stable	5323
NCD	INE721A07OC7	02/11/2018	9.3	02/11/2028	IND AA+/Stable	323.4
NCD	INE721A07OF0	02/11/2018	9.7	02/11/2028	IND AA+/Stable	389.8

NCD	INE721A07ON4	06/02/2019	9.3	06/02/2029	IND AA+/Stable	263.8
NCD	INE721A07OQ7	06/02/2019	9.7	06/02/2029	IND AA+/Stable	341.49
NCD	INE721A07OY1	22/08/2019	9.12	22/02/2023	IND AA+/Stable	422.28
NCD	INE721A07OZ8	22/08/2019	9.22	22/08/2024	IND AA+/Stable	343.455
NCD	INE721A07PA8	22/08/2019	9.31	22/08/2026	IND AA+/Stable	210.36
NCD	INE721A07PC4	22/08/2019	9.5	22/02/2023	IND AA+/Stable	558.073
NCD	INE721A07PD2	22/08/2019	9.6	22/08/2024	IND AA+/Stable	472.039
NCD	INE721A07PE0	22/08/2019	9.7	22/08/2026	IND AA+/Stable	261.903
NCD	INE721A07PF7	22/08/2019	Cumulative	22/02/2023	IND AA+/Stable	282.138
NCD	INE721A07PG5	22/08/2019	Cumulative	22/08/2024	IND AA+/Stable	175.741
NCD	INE721A07PH3	22/08/2019	Cumulative	22/08/2026	IND AA+/Stable	142.27
NCD	INE721A07PI1	28/01/2020	8.52	28/01/2023	IND AA+/Stable	293.209
NCD	INE721A07PJ9	28/01/2020	8.66	28/01/2025	IND AA+/Stable	162.997
NCD	INE721A07PK7	28/01/2020	8.75	28/01/2027	IND AA+/Stable	138.306
NCD	INE721A07PL5	28/01/2020	8.85	28/01/2023	IND AA+/Stable	505.097
NCD	INE721A07PM3	28/01/2020	9	28/01/2025	IND AA+/Stable	347.035
NCD	INE721A07PN1	28/01/2020	9.1	28/01/2027	IND AA+/Stable	130.231
NCD	INE721A07PO9	28/01/2020	Cumulative	28/01/2023	IND AA+/Stable	208.216
NCD	INE721A07PP6	28/01/2020	Cumulative	28/01/2025	IND AA+/Stable	151.58
NCD	INE721A07PZ5	29/10/2020	9	29/10/2030	IND AA+/Stable	750
NCD	INE721A07QH1	30/04/2021	6.75 - first 6 months; 7.25 - Starting 7 month to end of 12 month; 8.25 - Starting 13 month to end of 18 month; 9.10 - Starting 19 month to end of 24 month	28/04/2023	IND AA+/Stable	10000.00
NCD	INE721A07QJ7	17/06/2021	7.95% p.a	16/06/2023	IND AA+/Stable	4200
NCD	INE721A07QK5	17/06/2021	(Benchmark + Spread) %XIRR for 2 years 7.50%	16/06/2023	IND AA+/Stable	16000

Ratings

CRISIL

CONFIDENTIAL

RL/SHRTRAN/310543/NCD/0123/51610/141094288
January 30, 2023

Mr. Parag Sharma
Joint Managing Director and CFO
Shriram Finance Limited
Wockhardt Towers,
Level 3, West Wing, C-2, G- BLock
Bandra Kurla Complex, Bandra East
Mumbai City - 400051

Dear Mr. Parag Sharma,

Re: CRISIL Rating on the Rs. 4000 Crore Non Convertible Debentures of Shriram Finance Limited

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

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

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

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

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

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

With warm regards,

Yours sincerely,

Rahul Malik
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

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Details of the Rs. 4000 Crore Non Convertible Debentures of Shriram Finance Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

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Ratings

CRISIL

CONFIDENTIAL

RL/SHRTRAN/310543/LTPPMLD/0123/51612/141068583
January 30, 2023

Mr. Parag Sharma
Joint Managing Director and CFO
Shriram Finance Limited
Wockhardt Towers,
Level 3, West Wing, C-2, G- BLock
Bandra Kurla Complex, Bandra East
Mumbai City - 400051

Dear Mr. Parag Sharma,

Re: CRISIL Rating on the Rs. 1000 Crore Long Term Principal Protected Market Linked Debentures of Shriram Finance Limited

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

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

A prefix of 'PP-MLD' indicates that the instrument is a principal-protected market-linked debenture. The terms of such instruments indicate that while the issuer promises to pay back the face value/principal of the instrument, the coupon rates of these instruments will not be fixed, and could be linked to one or more external variables such as commodity prices, equity share prices, indices, or foreign exchange rates. A suffix of 'r' indicates investments carrying non-credit risk. The 'r' suffix indicates that payments on the rated instrument have significant risks other than credit risk. The terms of the instrument specify that the payments to investors will not be fixed, and could be linked to one or more external variables such as commodity prices, equity indices, or foreign exchange rates. This could result in variability in payments, including possible material loss of principal, because of adverse movement in value of the external variables. The risk of such adverse movement in price/value is not addressed by the rating.

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

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

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Yours sincerely,

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Details of the Rs.1000 Crore Long Term Principal Protected Market Linked Debentures of Shriram Finance Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
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In case there is an offer document for the captioned Debt issue, please send us a copy of it.

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MASTER CREDIT PROCESS MANUAL

Version: 2022v.1

FOR

SHRIRAM FINANCE LIMITED (Formerly known as Shriram Transport Finance Company Limited).

RECOMMENDED BY THE CREDIT COMMITTEE

- MR. Y.S. CHAKRAVARTI
- MR. PARAG SHARMA
- MR. SRIDHARAN P
- MR. SRINIVAS K
- MR. G.M. JILANI
- MR. NILESH S ODEDARA
- MR. SUDHARSHAN B HOLLA
- MR. HARDEEP SINGH TUR
- MR. S SUNDER

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Introduction to credit policy

At Shriram Finance Limited (Formerly known as Shriram Transport Finance Company Limited) (SFL) Commercial Vehicles were an integral part of business activity and even a barometer of country's economic growth to a certain extent. We have been in this business since 1979 and with our experience today the company is growing strong along with the economy.

SFL also started funding small unorganized businesses in the year 2016. While banks are shying away from funding micro businesses due to lack of documented proof and track record, we have found our way to be in the business through our unique business model. Person to person mapping is the key to success in any unorganized business, which we have championed over last four decades.

As a NBFC we are able to provide customized solutions to the requirements arising out of small businesses in semi urban and rural areas. By doing this we are providing an organized way of financing the borrowers. In this process we are liberating them from the clutches of Money lenders.

The company has carved a niche for financing the small ticket size loans as the demand for the same is growing and the economy of doing businesses, which are financially viable and growing small business sentiment with an individual groomed as self- employed business person.

Ours is a vertically integrated business model and offers a number of products which include Pre-owned CV Financing, New CV Financing, Loan against property, Gold loan, Small Business loans, other Working Capital Loans to existing customers, etc.

Scope of the Policy

This credit policy intends to communicate the Management Vision to all the employees and provide a guidance document to entrust responsibilities to various levels and ensure higher growth in business with improving quality.

It would also deal with Micro and small loans credit and commercial related matters and would define the Management Vision, Intent and the procedure to be followed by Branches, Regional offices and Zonal offices for managing the portfolio.

The Policy will cover all types of customers including Individuals and Non-Individuals.

Management Vision

Serving needy customers at the bottom of the pyramid has been the strategy of SFL since four decades. Extending the same strategy, we would like to strengthen the market leadership position in financing Used Commercial Vehicles, Business Loans while maintaining some presence in New Commercial Vehicle finance. We would like to create niche out of the unorganized market of small business loans as we have been successfully doing in used commercial vehicle funding.

The Strategy

We would like to expand our operational geography by penetrating into the semi urban and rural locations, through our branches, rural centres and revenue sharing partners. Keeping the strategy of funding in underserved area a priority will ensure higher NIMs and thus higher sustainability of business.

Securitisation/ Assignment

The company will be maintaining its own portfolio to securitisation/ assignment portfolio in the ratio of 70%:30%

Target Market

SFL serves the unbanked segment of micro and small industries. MSMEs which are currently thriving on self funded small-scale businesses and are not able to get credit from Banks due to lack of documentation and assessment. SFL having its presence through more than 1700 branches and more than 500 RSP/BSPs and another 800 rural touch points are equipped to understand these businesses at local level. SFL has the capacity to assess these businesses through its manpower and fund them as per their requirement. Unlike Banks, SFL is better equipped to handle such unbanked customers, hence the opportunities are huge.

MSME Definition:

The MSMED Act, 2006 defines the Micro, Small and Medium Enterprises based (i) on the investment in plant and machinery for those engaged in manufacturing or production, processing or preservation of goods and (ii) on the investment in equipment for enterprises engaged in providing or rendering of Services.

The investment in plant and machinery is the original cost excluding land and building and other items specified by the Ministry of Small-Scale Industries vide its notification no. S.O. 1722 (E) dated 05.10.2006.
The guidelines with regard to investment in plant and machinery or equipment as defined in the MSMED Act, 2006 are:

Manufacturing Enterprises and Enterprises rendering Services	Composite Criteria: Investment in Plant & Machinery*/equipment and Annual Turnover

Micro	Not exceeding Investment* Rs.1 Crore and Annual Turnover Rs. 5 Crore
Small	Investment* More than Rs.1 Crore but does not exceed Rs.10 Crore and Annual Turnover More than Rs. 5 Crore not exceeding Rs. 50 Crore
Medium	Investment* More than Rs.10 Crore but does not exceed Rs.50 Crore and Annual Turnover More than Rs. 50 Crore not exceeding Rs.250 Crore.

*The investment in plant and machinery is the original cost excluding land and building and other items specified by the Ministry of Small-Scale Industries vide its notification.

Product Offerings

Following Products are offered by SFL

Commercial Vehicles and Equipment

1. Light Goods Vehicle- All goods vehicle having gross vehicle weight below 16.2 Tonnes vehicle would be considered in this category.
2. Heavy Goods Vehicle- All vehicles excluding those in construction vehicle category having gross vehicle weight above 16.2 Tonnes would fall under this category.
3. Construction Vehicle- All Vehicles and RTA registered machinery used for construction purpose will come under this category. Tippers would be included under this category.
4. Machinery/ Equipment- All stationary equipments used for commercial purposes (Not registerable under RTA)
5. Passenger Commercial- All passenger vehicles used for commercial purposes would come under this category
6. Car and Utility Vehicles- All passenger car and utility vehicles
7. Tractor & Farm Equipment- All farm related vehicles and equipments would come under this category
8. Two Wheelers

Business Loans

1. Working Capital Loans
2. Loans for Capital Investment for expansion purposes
3. Personal Loans
4. Vendor Financing

Gold/Jewel Loans- A separate policy is placed for consideration and approval.

Loan Against Property- A separate policy is placed for consideration and approval.

Co lending in Partnership with Bank and NBFCs- A separate policy is placed for consideration and approval.

Unsecured loans

The company will have unsecured loans portfolio to a maximum extent of 25% of its total lending portfolio

1. Loan assistance for General Insurance
2. Loan assistance for Life Insurance
3. Loan assistance for Vehicle repairs
4. Loan assistance for Vehicle Working capital requirement such as Toll/Tax/Fuel etc.,
5. Tyre Loans for existing vehicle customer
6. Personal Loan to existing customers

Geographical Coverage:

We would serve our customers all India through our branch network of more than 1000 branches, 1000 rural centres and Revenue sharing partners across India. Criteria for funding through Revenue sharing partner would be detailed in separate policy document.

Customer Categorization:

Customer categorization is necessary for assessing the risks and controlling concentration of exposure with few customers. Building a diverse portfolio is necessary to ensure that risks are contained to the optimum level. Also, it helps in providing better service to key customers.

SFL customers would be categorized by the business turnover:

Category	Type	Description
C	Small Customer	Unorganised financials/ Business Turnover up to 50 Lakh
B	Mid Customer	Availability of Audited Financials or ITR/ Business Turnover of up to 1 Crore
A	Large Customer	Availability of Audited Financials or ITR/ Business Turnover above 1 Crore

In no case the total exposure to the Borrower should exceed the Reserve Bank of India guidelines on Single /Group Borrowing exposure norms.

Caution profile of customer:

Following category of customer including immediate family members would be termed as caution profile and will require credit approval from Zonal Credit Committee/JMD Committee irrespective of the exposure amount.

1. Any individual who has contested or is a potential contestant in election of legislative assembly / parliament, municipal body or panchayats
2. Any individual who holds office of any local/ regional political party/ National political party
3. Individuals working in police force (Gazetted officers to be excluded)
4. People who are known to have criminal / anti-social background
5. Repossession and collection agents
6. Individuals who are lawyers/ advocates.
7. Companies having close family shareholding or beneficial ownership.
8. Trusts, charities, NGOs/ unregulated clubs and organizations receiving donations
9. Customers that may appear to be Multi-level marketing companies

   The Company should refrain from extending business loans to entities without ensuring that they had the necessary registration under the Money Lending Act or any other appropriate regulation if they were primarily in the business of lending.

Customer Selection Criteria:

Customer selection Criterion- Individuals/ Proprietor

Parameter	**Qualification**	**Validation Document**
Stability	Min 6 months residence in same place	Utility Bills/ Govt issued ID proof
External Guarantor	Mandatory for all loans	KYC to be obtained
Guarantor Track Record	Satisfactory	Field Investigation to be certified as per Limits of various products
Trade Reference Checks	Satisfactory	Field Investigation to be certified as per Limits of various products

Customer selection Criterion- Other than Individuals/ Proprietor

Parameter	**Qualification**	**Validation Document**
Turnover	Rs 10 Lakh	Financials to be verified

Repayment Track record	Satisfactory	Bank statement
Debt Service Coverage Ratio	>=1	Cash flow statements
Guarantor	Mandatory/ Internal preferred	KYC to be obtained
Trade reference Checks	Satisfactory	Field Investigation to be certified as per Limits of various products

Organizational Credit Hierarchy:

We believe in our relationship with the customer and we work with our customers to make them grow. This is possible when faster decisions can be taken and monitoring can be done through meetings with customer on continuous basis.

Our competency is quick service and quicker decision on funding and settlements.

Keeping up with the organizational philosophy Branch Managers, Regional Business head or equivalent role and Zonal business Committee/JMD Committee/Central Credit Committee have authority to approve the proposals as delegated to them from time to time.

Hence, The Credit hierarchy starts with Branch Team Leader (BTL) in the branch, which would check the sanctity of basic documents collected for the specific case and then the appraisal is done by Branch head, Regional Business head or equivalent role and the appropriate Credit Committee as per policy

Exposure Guidelines

Company is mainly into retail lending, hence there is no cap on retail lending. Maximum exposure to the corporate sector will be not more than 15% of overall lending portfolio excluding exposure to NBFC's sector not more than 5%.

As a retail lender, company is mainly into auto loan sector lending. However, the company's maximum exposure will not be more than 5% of overall portfolio as a part of new initiatives/ventures.

The company will not

1. Lend to
    a. any single borrower exceeding fifteen per cent of its owned fund; and

b. any single group of borrowers exceeding twenty five per cent of its owned fund;

2. Invest in

a. the shares of another company exceeding fifteen per cent of its owned fund; and

b. the shares of a single group of companies exceeding twenty five per cent of its owned fund.

3. Lend and invest (loans/investments taken together) exceeding (a) twenty five per cent of its owned fund to a single party; and (b) forty per cent of its owned fund to a single group of parties.

The concentration of credit norms

1. Funding not to exceed 5 per cent for any single party and by 10 per cent for a single group of parties, if the additional exposure is on account of infrastructure loan and/ or investment

2. However, the above said limit is not applicable to investment/Loans made by the company in its subsidiaries/companies in the same group. But the same shall be reduced from the calculation of NOF

Capital Market Exposure

1. The company will maintain a Loan to Value (LTV) ratio of 50% for loans granted against the collateral of shares. LTV ratio of 50% shall be maintained at all times. Any shortfall in the maintenance of the 50% LTV occurring on account of movement in the share prices shall be made good within 7 working days.
2. In case where lending is being done for investment in capital markets, accept only Group 1 securities (specified in SMD/ Policy/ Cir - 9/ 2003 dated March 11, 2003 as amended from time to time, issued by SEBI) as collateral for loans of value more than Rs. 5 lakh, subject to review by the Company.

3. Report on-line to stock exchanges on a quarterly basis, information on the shares pledged in their favour, by borrowers for availing loans

Real estate Exposure:

The company will be lending mainly for Business activities in connection with Automobiles and shall be taking immovable properties as collateral..

Internal credit rating:

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of

risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due(dpd) basis:

	Internal rating description Internal
rating grade	
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

Geographical concentration:

The company will be geographically concentrating in all the regions based on the business potential for disbursements for Lending for commercial vehicles which is the prime business of the company.

Funding in a particular state will not exceed 25% of overall lending portfolio.

Restructuring of loan:

The company will be doing its restructuring only based on its restructuring guidelines detailed in this policy

Asset Financing:

The company will be mainly financing the borrower for buying physical assets supporting productive/economic activity, such as automobiles, tractors and other commercial vehicles/assets and shall comply with RBI norms defined for AFC classification

Central Credit Committee:

Central Credit committee would be the apex body for regulating the credit culture in the company and would be responsible for the following:

1. Design and implementation of credit process
2. Implementation of Various credit assessment tools for helping operations team in better customer selection
3. Training for Credit assessment and monitoring of portfolio at various levels.
4. Monitoring of Delinquency and taking corrective actions
5. Decisions on write offs for loss cases
6. Decisions on funding in higher ticket size cases as decided from time to time

Zonal Credit Committee

Zonal Credit Committee consists of Zonal Business Head, Zonal Back Office Head, one or two Senior Regional Heads. Zonal Credit Committee can approve the escalations made by ZTL, RBH or equivalent role.

JMD Credit Committee

JMD Committee consists of JMD, Back office Head, one or two Senior Heads in the Geographical Unit. JMD Committee can approve the escalations made by ZCC, RBH or equivalent role.

Operation work flow:

Following would be the typical workflow for sourcing to disbursement of a file in a branch

Steps	Process Flow	Responsibility
1	Sourcing by RE	RE
2	Lead entry into system	RE
3	Collection of Documents	RE
4	Proposal Entry	CSE

5	Document Check	BTL
6	Branch Manager Assessment & Approval	BM
7	If escalation, then RBH or equivalent role /appropriate Committee Assessment & Approval	BM
8	Issue of Sanction Letter	BM
9	Signing of Agreement	RE/ BM
10	Margin Money Collection	RE/ BTL
11	Collection of Other Charges	RE/ BTL
12	Disbursement	BTL
13	Collection of Post Disbursement documents	BTL/RE
14	Dispatch to Doccell	BTL

Responsibility of Operations Team

In SFL operations team handles direct responsibility of Business and Credit. Hence it is important to understand the credit responsibilities at each level. While respective heads including ZBH, RBH & BM are responsible for overall wellbeing of the business under their control, they would be responsible for the entire process from customer selection to account settlement and for the documentation and recordings thereof.

It is important to understand that Zonal Team Leads (Commercial heads) reports into the ZBHs, Hence ZBH with the help of Zonal Team leads would be responsible for recording of the process in system or documents thereof. Following responsibilities would be entrusted to various levels of hierarchy in operations.

Role of ZBH in Credit Quality

Zonal Business Head (ZBH) is the supreme authority of all branches and regional offices falling under his zone. All credit decisions taken by the team would be his responsibility.

Zonal Business Head is assumed to be having the supreme understanding of the Management Vision, Business Strategy, Rules & Regulations, Delegation of powers and the Regulators requirements with regards to maintenance of documents and assessment records thereof.

ZBH with his structured team of Operations and Commercial personnel would ensure compliance at all time.

Role of RBH in Credit Quality

Regional Business Head (RBH) is the supreme authority of all branches falling under his region. All credit decisions taken by the team would be his responsibility.

RBH shall take the guidance of Business Strategy from respective ZBH which would be in line with the Management Vision and Rules & regulations framed from time to time.

RBH would utilize all the resources of Operations and Commercial team to undertake business and ensure compliance at all time.

It is to be noted that RBH denotes RBH or equivalent role across the credit policies for all products.

Role of Branch Manager in Credit Quality

Branch Manager plays very crucial role in SFL, as he is in direct contact with all the customers in his branch. All credit decisions would be taken by Branch Manager in his limits and it is his responsibility to prepare proper assessment (as guided from time to time) of all the proposals and decide on funding. Branch Manager is expected to record the assessment in fair way before sending the same to RBH or equivalent role / ZBH/ appropriate Credit committee as per limits assigned for various products.

Branch Head would ensure required documentation and legal compliance, while growing the business as per management expectations.

Role of RE

Relationship Executive (RE) is the touch point between SFL and customer. Being the face of the organization RE should be a well groomed person with sufficient knowledge of products, processes and documentation. Continuous learning is the key to keep abreast in business and compliance.

RE would be responsible to handle the customer and fulfill all documentation requirements for all the cases sourced by him. RE would understand the process in detail and communicate with customer to gain more information about him and get the proposal through with minimum deviations.

Responsibility of Business Processing Team:

Role of ZTL

Zonal Commercial Head (ZTL) plays very crucial role in managing whole process from identification of proposed customer to closure of the loan. ZTL would take guidance from Zonal Credit Committee/JMD Committee and would monitor the Credit assessment, Business processing and Documentation for the zone. ZTL would report all deviations and discrepancies to Zonal Credit Committee/JMD Committee on periodic basis and ensure compliance through his team of RTL and BTL in the zone.

Role to RTL

Regional Commercial Head (RTL) would take business processing guidance from the respective RBH or equivalent role and would be guided by ZTL for system & Documentation work. RTL is supposed to know all the Rules, Regulation, Policies and circulars and is bound to ensure compliance at all time.

Role of BTL

Branch Admin (BTL) has a critical role in any organization, as he comes in direct contact with the customer at the time of personal interaction and disbursement. BTL should help Branch manager prepare an exhaustive appraisal note and ensure that all details are captured. BTL would ensure compliance for all rules and regulations, policies and circulars for each case.

Delegation of Powers (DOP):

Delegation is important aspect for any organization to ensure seamless decision making and business processing, while entrusting the responsibilities of profit and loss at enterprise level.

There may be different levels of powers delegated at various levels in hierarchy with different products.

This delegation would be updated from time to time through circulars and specific DOP shall be recorded in product specific policies.

The responsibility of following the DOP in spirit lies with the entire operations team, while system team would try to incorporate the same in system.

Any deviation in the DOP would be treated as exception and would be escalated to Zonal Credit Committee/JMD Committee/Central Credit Committee as the case may be.

Documentation:

Documentation consists of two parts,

1. For assessment of the proposal,

2. Legal documentation for entering into contract with customer availing loan facility.

Both parts are important as pre disbursement assessment would give an indication whether the relationship with customer is going to be profitable in the long run.

Following documents are necessary to be maintained by branch for each loan proposal

Pre-Disbursement

1. Assessment documents:
    a. Duly filled application form
    b. KYC Documents
    c. Proof of Financial stability
    d. Proof of Financial viability
    e. Proof of application of funds
    f. Project report/ Projections report
    g. Assessment report by STFC employee
2. Legal Documentation:
    a. Loan Agreement
    b. Hypothecation deed on Assets Financed (Vehicle/ Machinery/ Stocks/ receivables) c. Letter of Guarantee
    d. Demand promissory Note
    e. Any other document as specified by legal team for the specific loan

    (All documents provided by customer should be self attested)

Post Disbursement

1. Collection of Proof of usage of funds for the purpose declared in application form
2. If project-based funding, Project completion report
3. For working capital disbursement, Stock report while ensuring that principal balance is only 75% of total stock at any point in time.
4. For machinery funding, Invoice to be taken and delivery of machine to be ensured.
5. Any other specific documents as applicable to various loans.

Collateral Management:

Collateral management includes selection of collaterals, risk in collaterals, valuation and inspection of collaterals, eligible financial collaterals and guarantees. Collateral is defined as the assets or rights provided to the financier by the borrower or a third party in order to secure a credit facility. Financier shall have the rights of secured creditor in respect of the assets/ contracts offered as security for the obligations of the borrower/ obligor.

Legal Verification

If property is taken as collateral, legal verification is must and it should clearly state that the property is free from any kind of encumbrance and is freely marketable. Also, legal verifier should certify the ownership of property.

Empanelment of Valuator & Valuation Report:

Regional Business Head or equivalent role should ensure that the Valuator is empaneled with SFL with a binding agreement on him to ensure that the valuations done by him are fair. There should be a panel of external Valuators for appointing them on rotational basis.

Fair Market value should be considered while taking the decision of funding and to ensure enough margin is maintained considering risk of price fluctuations.

Valuation should be done by two external valuators in case of proposed loan amount exceeds Rs.100 Lac. Lowest among the two valuations to be considered for deciding on the funding.

Selection of Collaterals

Vehicle Loan: SFL with its established processes may value the vehicles well and therefore in Vehicle loans (New/ Used) no additional collateral is required. However, it should be ensured that the loan to value for a Vehicle loan never crosses 95% during the tenure of the loan. Deviation upto 100% LTV has to be approved by Zonal Credit Committee/JMD Committee.

Gold/Jewel Loan Collateral – Collateral details covered in the Gold Loan policy

Business Loan

Primary Collateral: Primary collateral for the business loan would be the asset being generated by way of use of funds.

1. Stocks being funded would form the collateral for all working capital loans
2. Receivables of the financiers would form the collateral with SFL having its first charge on the same
3. Machines being funded should be hypothecated to SFL by way of an agreement with customer and taking original invoice into SFL custody
4. Other loans funded for working capital would have the business receivables and finished/ unfinished stocks as collateral to SFL

Customer would submit stock statement / receivables statement to SFL on quarterly basis ensuring coverage of the loan through collateral offered as agreed at the time of agreement.

In case of an individual/Non-individual being a borrower, Stock/Inventory statement may be submitted with self-certification of the borrower for all 4 quarters for loan value between Rs.5 lac and Rs.100 Lac. For more than Rs.100 Lac, it can be self-certified for 3 quarters and CA certified for March ended quarter.

In case of receivables funding, receivable statement to be verified and certified by authorized SFL executive for 3 quarters and CA certified statement for March ended quarter.

In case of Onward Lending to Financiers, receivable statement duly submitted on post disbursement against the lending should be certified by CA. The same to be verified and certified by authorized SFL executive to ensure that receivables submitted are as per the sanction. There after the receivable statement should be submitted every quarter as specified above.

It is important to ensure the value of proposed asset/s being taken as collateral and the decision lies with branch Manager/ RBH or equivalent role / Zonal Credit Committee/JMD Committee as per loan amounts in their limits

SFL wants to promote all kinds of small businesses but taking current assets as collateral may sometimes turnout to be risky due to conversion of current assets to cash may not be optimally possible all times.

Hence, SFL would ensure enough coverage through Property collateral for most of the loans disbursed for business purpose. This would be considered as secondary collateral

Secondary Collateral:

Secondary collateral should be obtained to ensure additional coverage against the loan outstanding.

The secondary collateral may be in the form of any of the below:

1. Residential Property
2. Commercial Property
3. Land
4. Vehicles
5. Machineries

Proper Valuation and legal search is compulsory in each case where property is being taken as collateral. However, in case of machineries a hypothecation agreement would suffice. While vehicles should be hypothecated by way of endorsement on Registration Certificate (RC)

Secondary property can be a single property of multiple properties against one loan agreement.

All properties which are taken as collateral should be entered into CERSAI so as to protect our first charge on the property

However, Registration of Mortgage of deposit of Title deed (MODT) may be followed as per the local practices in respective state. Zonal Credit Committee/JMD Committee would however take guidance form legal department and decide on the process of obtaining secondary collateral in respective zones

Total loan amount is restricted to the maximum of 90% of the value of primary and secondary collateral.

Loan Recall

SFL would mandate customers to ensure security coverage at the LTV decided at the time of agreement.

In case customer fails to maintain/ replace/ furnish security against the loan or the value of security falls thereby cover being reduced for a loan, SFL has right to recall the part/ total loan amount outstanding with future principal as on date and settle the loan within 15 days of the recall notice.

Failing to repay the loan/ satisfy security requirement, legal procedures would be followed.

RBI Guidelines

Guidance may be taken from the Master Directions of Reserve Bank of India, which may be accessed from the below link:

1. **Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016**

2. **Master Direction - Know Your Customer (KYC) Direction, 2016**

3. **Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs**

All circulars and amendments with reference to the said master directions should be followed in letter and spirit. Principal of "***Ignorantia juris non excusat or ignorantia legis neminem excusat***" would be applicable, which means that ignorance of law is no excuse for escaping the liability.

Guarantee Requirements

All loans should be backed by a strong guarantor except for Business Loans where Guarantor is optional. Guarantors from relatives should be avoided. Cross Guarantees should be avoided

In case of companies, internal guarantor(s) would be the promoter director(s) having management control in the company. Personal guarantees of all such directors would be taken

External guarantor would be the third party guarantor who does not have any stake or control in the company/ firm and does not belong to the same family and their in-laws.

Business Vintage:

Business Vintage should be defined for the applicant or his immediate family members. The business vintage should be evidenced by any proof of business/ tax payment receipt/ Field investigation for small ticket size cases as specified in the respective policy.

Residence Stability:

Residence stability is required to understand the customer's intention to continue in the city or shift the city on failure. This can be defined as period of stay in the same city. Documentation to prove the continuous residence in same city should be obtained and assessment of future stability may be obtained from the Field investigation and reference checks

Establishment of ownership

Ownership of Business, Vehicle, Machinery, Equipment etc. may be established by proof of purchase on the name of the applicant, Registration certificate in the name of owner, company etc.,

Financial Ratios & Financial Assessment

All financial ratios as required in the Customer assessment format would be required to be keyed in from the numbers available in financial statements including Profit and loss account, Balance sheet, Cash flow statement/bank statement, Credit Bureau statement etc.

Only latest financial reports should be taken for assessment.

Leverage: Leverage is defined as Total liabilities to tangible net worth of the company. This shows how much of the liabilities are covered through equity capital

Debt Service Coverage Ratio (DSCR): This is a measure of ability of the customer to service its debt repayment capacity. it is defined as (PAT+Depreciation+interest) / (Current portion (less than 12 months) of long term debt payable +short term debt due within 12 months+ interest. Debt would exclude WC limits, which are perennial in nature and get rolled over & Loans from friends and relatives, which is quasi-equity in nature.

PBDIT (Profit before Depreciation Interest and Taxes): Profit of the company should be in increasing trend and any dip in profit should be justified with detailed note. For partnership and closely held companies' remuneration paid to partners/ directors can be added back to profits.

Profitability: Profitability shall be defined as the ratio of PBDIT to gross sales / Total Billing/ Gross Revenue/ Contract receipts in the concerned financial year

Repayment track Record/ Repayment History:

Average delay (AD) shall be calculated as total no of days delay in a year for all installments divided by no of installments in a year. Advance installment days is not to be deducted from delay days

Peak Delay (PD) shall be calculated as the maximum no of days delay (DPD) in one single installment among all installments paid in a year.

One of the following will be used as evidence of the payment history:

- Statement of account from financiers providing details of the payment due dates , as well as the dates on which Loan payments were actually received
- Receipts issued by financiers for payments made, which will be accepted only for payments made by cash or by demand draft; in the event of payment by cheques, bank statements would be verified to validate payment history
- Prompt payment rebate letters from financiers recognizing & rewarding payment history
- Customer's loan statement of account and/or bank statement Track record would always mean for a minimum period of 12 months

Repeat Funding:

There would be a cooling period after funding for a minimum period of 6 months for business loan, no loan can be disbursed to such person until the loan was already sanctioned under single sanction letter in previous funding.

Appraisal done for an applicant would be only valid for 60 days. Fresh appraisal would be required for the applicant, in case of non- funding, case cancellation.

KYC Policy:

KYC policy would be guided by RBI Master Direction - Know Your Customer (KYC) Direction, 2016 as and when amended. KYC policy would be a separate policy and would be applicable to all products.

Environmental Clearances:

As per the notification issued by Ministry of Environment and Forests dated 27.01.1994 following needs to be followed:

As per the notification, Public Hearing is not required in respect of (i) small scale industrial undertakings located in (a) notified/designated industrial areas/industrial estates or (b) areas earmarked for industries under the jurisdiction of industrial development authorities; (ii) widening and strengthening of highways;(iii) mining projects (major minerals) with lease area up to 25 hectares, (iv) units located in Export Processing Zones, Special Economic Zones and (v) modernisation of existing irrigation projects.

In case of the following site specific projects:

(a) Mining;

(b) Pit-head thermal power stations;

(c) Hydro-power, major irrigation projects and/or their combination including flood control;

(d) Ports and Harbours (excluding minor ports);

(e) Prospecting and exploration of major minerals in areas above 500 hectares;

The project authorities will intimate the location of the project site to the Central Government in the Ministry of Environment and Forests while initiating any investigation and surveys. The Central Government in the Ministry of Environment and Forests will convey a decision regarding suitability or otherwise of the proposed site within a maximum period of thirty days. The said site clearance shall be granted for a sanctioned capacity and shall be valid for a period of five years for commencing the construction, operation or mining.

Take Over of loans:

If customer approaches for a loan which is already under finance with other Bank/Financial institution, such loans can be taken over based on the following -

i) Reason for change of lender to be taken from customer ii) Statement of Account and Letter with the proposed settlement amount to be obtained iii) Loan status should be standard asset. iv) NOC issuance procedure to be checked with the current lender. **v)** The proposal should satisfy our existing credit norms.

Deal Process Flow:

Lead Generation: Lead generation is most important part of business process flow; leads can be generated from existing customer base, customer/ guarantor references/ market references, etc.

All leads should be entered into the system for proper tracking of the leads for future reference, irrespective of whether the proposal is sanctioned or rejected.

Each lead captured today would be a business opportunity at some point in time.

Customer Meeting: If a lead fructifies into a meeting with customer, following should be done by the RE.

Basic Credit evaluation: During the meeting with the client, RE evaluates the client on various parameters like stability, client's business, his associations, his work in hand/ deployment intentions, asset base, financial facilities and discipline etc.

Asset/ Fund requirement justification: Basis the work in hand/ capital requirements/ deployment opportunities the Relationship executive does a primary assessment on Asset/ fund requirement and its profitable deployment.

In case of refinance, Relationship Executive would also do end use verification and application of same for business purpose. If the end use/ application of money is otherwise, cash flow justification and customer's ability on repayments should adequately justify the funding.

Documentation:

Once the RE gets convinced on funding the client and commercial viability of asset/ fund under the proposed deployment plan; he gets basic credit documents done. RE will also collect the copies of RC/ Invoice/ Property papers/ financial reports etc.

Rating & Reference Checks:

Post documentation, the RE will do the grading of the client with trade reference checks. Checks need to be done with.

- Suppliers: Existing suppliers of raw materials/ consumables forming at least 10% of total expenditure in business
- Similar Businesses: People operating in the same line of business and are peers to proposed client
- Principals/ Customers: People for whom the client may be working for in the capacity of agent OR those customers who contribute at least 10% of the share of his business.

Approval & Booking Process:

RE will provide basic KYC details of customer and guarantor & asset details to branch admin (BTL), who will generate customer ID and will go to stage -1 data entry and generate proposal number. He will run internal dedupe & Credit Bureau report for required cases.

Branch Manager will initiate valuation of Asset/ Inventory/ property through empanelled valuer

Branch Admin would ensure a complete file with required KYC, Application form, internal rating, Credit Bureau report, legal assessment, NACH Mandate , Customer assessment form and submit to Branch Manager

Branch Manager would record his assessment in the file for deciding on the Amount, LTV, Rate and tenure with specified reasons in deviations from the policy rates and LTV (If any) and approve the case under his limits and escalate the file to RBH or equivalent role / appropriate Credit committee as per the approval matrix

After approval is obtained, the branch admin would proceed for data entry into system and issue sanction letter with terms and conditions of the loan. All terms to be complied by the customer should be mentioned in the sanction letter viz, Periodic submission of documents, stock report, financial documents, maintenance of stocks etc.

Branch Manager initiates the process of mortgage/ hypothecation in registrar office/ vehicles as per the collateral being obtained.

Legal documents like agreement, hypothecation deed, Demand Promissory Note and other case specific documents should be signed by the customer and branch manager with the witnesses thereof.

If case is rejected, branch admin will capture the same as rejection and input the customer details in dedupe data.

Collection Process and Triggers:

SFL would have customer relationship based collection policy, there would not be policy driven norms for recovery of vehicle/ asset from the customer. Branch Manager would decide on the recovery of vehicle/asset from customer depending upon the relation with customer. However, Branch Manager would abide by the collection guidelines and would try to maintain most of the cases under 90 DPD.

As SFL look forward to following 90DPD NPA regime, any loan going into the 60 DPD bucket should be viewed stringently.

Buckets	**Proposed Action**
0 Bucket	RE follows up with the client for repayment and ensures collection through various modes available
1-30 Bucket	Branch Manager follows up the RE for collection and ensures the collection
31-60 Bucket	Branch Manager meets the customer and takes feedback on collection
61-90 Bucket	RBH or equivalent role to get involved for collection, meets customer for follow up of collection
91-120 Bucket	Loan recall notice to be sent giving 15 days notice. Asset Recovery formalities to be started to ensure vehicle custody in good condition
121+	Legal recovery procedure to start with sale of asset/ non availability of asset

Portfolio Monitoring:

The need for monitoring process is to identify related problem at early stage and helping business to take corrective action.

- Non-starter and early delinquency review
  The Branch Manager would obtain the data from respective RE and would start meeting the customers to understand the problems underlying the reason for delinquency and ensure roll back of customer to regular.
- A customer would be deemed to be a non- starter where first EMI remains unpaid
- Early delinquency customers would be those customers who have more than 3 EMIs outstanding within 12 months of contract.

Asset Recovery Policy:

Movable Assets:

Cases which are more than 3 EMI's due would qualify for the recovery of asset from the customer

For cases wherein the customer is in 0- 60 DPD and the asset is at risk with third party and the intention of the same is questionable then such assets should be recovered immediately.

Prior to asset recovery notices like 60 DPD and the loan recall notice have to be sent to the customer. Asset can only be recovered from the customer after 15 days of the date of sending of the notice.

After recovery of the asset from customer, Branch Manager would ensure that the police station under the jurisdiction of which the asset is recovered, has been informed.

After taking the custody the employee would make an inventory sheet and take the asset to the nearest empanelled parking yard of the company/ Automall Yard.

In case the circumstances prevail wherein we cannot park the asset in an empanelled yard, prior approval from RBH or equivalent role has to be taken for parking the asset at an un-empanelled location.

Post recovery of asset from customer, notice to be sent to the customer giving the details of the entire outstanding amount and a time period of 10 days to make the payment.

Resale Activity process

Assets in stock would be sold within reasonable time from the date of recovery from customer, including the notice period given to the customer.

For asset sale, valuation of movable assets must be done and the photographs in the prescribed format as required by the company.

Post receiving the quotes and resale approval from the RBH or equivalent role, the resale payment has to be deposited within 5 working days failure of which may lead to accepting the next best quote

0-10 days	Notice period of customers
11-30 days	Quotes to be collected
31-40 days	Resale approval and application of resale proceeds
41-90 days	Asset can be only in custody if the customer has taken legal action, Business team wants to further negotiate

Asset Liquidation process:

Once the asset has been recovered from customer, the same has to be reported into the system with 48 hours from the date of recovery.

Pre asset recovery notices, police intimation, post asset recovery notice, Inventory sheet duly signed by employee and the confirmation from parking yard will have to be handed over at the branch

RBH or equivalent role would be the final authority to decide on the sale amount.

Once the sale proceeds are received in the system, closure of the contract will have to be initiated and NOC handed over to the buyer.

Contracts that have shortfall will then be forwarded to legal department for recovery of the losses based on the terms of the agreement.

Branch Manager/ RBH or equivalent role would follow up with each case and ensure closure at earliest.

Immovable Assets:

Recovery from immovable assets would be triggered as done in movable assets; however, procedure followed would be as per state laws. All cases would be routed through legal retainers for sending notices and taking charge of property for auction. As real estate is state subject, recovery procedures as per state laws would be followed.

Asset Release approval Matrix:

All Outstanding dues paid (inclusive of Interest, penal, Cheque/NACH dishonour charges, Repo charges, & Legal expenses)

Approval authority to release the assets lies with Branch manager if the case is brought under 60 DPD Any

other deviations rest with RBH or equivalent role

Loan Settlement Matrix:

Loan settlement would be dealt through a separate “Policy For Recovery & Monitoring of Loans”.

Restructuring of Loans

Due to various economic issues a loan may not perform up to the satisfaction of SFL. In such scenario it is critical to assess the viability of repayment by the customer in future. If there seems to be no future cash flows (unviable operations), it would be prudent to recover the asset funded and realise the balance amounts from the same and proceed for legal recovery for collection through sale of customer’s other assets.

In case the arrears of the customer are temporary in nature and it is certain that repaying arrears in one shot would not be possible by the customer, restructuring a loan would be the viable option to help customer to come out of temporary issues

It is important to assess the future outlook of cash flows from the customer.

Restructuring of loans would be allowed subject to following conditions:

1. The customer has over dues as on the date of request.
2. The present assessment of the customer is positive and it is ensured that future repayments would not be impacted due to non-availability of enough cash flows.
3. Loan to Value should be maintained at reasonable levels.
4. Additional collateral may be taken in case the vehicle value / assets mortgaged with us do not support the LTV of funding amount.

1. 4. As per appraisal if there is a requirement of the outflow to customer to ensure fresh cash flows, SFL may decide to provide additional funds to customer based on revised assessment of the vehicle value maintaining the LTV as per policy.

Any deviations from this policy shall be approved by Zonal Business Committee/JMD Committee

Reserve Bank of India (RBI) has come out of Resolution framework applicable to all eligible borrowers vide its Notification No. RBI/2020-21/16 DOR. No. BP. BC /3/21.04.048/2020-21 dated August 6, 2020. RBI also issued Notification. RBI/2020-21/17 DOR. No. BP. BC/4/21.04.048/2020-21 dated August 6, 2020 issuing guidelines on Medium, Small and Medium Enterprises Sector – Restructuring of advances.

The following conditions will strictly be adhered to by the company in case of restructuring of any loan agreement is undertaken.

1. All Loans offered against Vehicles, Business and working capital Loans extended to such Loan borrowers that are standard as on March 1, 2020 having not more than 30 DPD will be considered. Further, the account should continue to remain standard till the date of invocation.
2. The date of invocation shall be the date on which both the borrower and the company have agreed to proceed with a resolution plan under this framework.
3. The Borrowers whose earnings are not likely to be regular enough to service their Loan Instalments (Principal plus interest) that are due for up to next 6 months would be covered under this scheme.
4. The actual resolution plan will vary from customer to customer depending on the stress levels that they are undergoing in the current environment.
5. Resolution under this framework may be invoked not later than December 31, 2020 and will be implemented within 180 days from the date of invocation.
6. The Company may allow extension of the residual tenor of the loan, with or without payment moratorium, by a period not more than two years. The moratorium period, if granted, shall come into force immediately upon implementation of the resolution plan.

7. The restructured loans would be sanctioned by the Regional Business Heads or equivalent role up to Loan exposure of Rs.10 Lakh and by Zonal Credit Committee/JMD Committee for Loan exposure beyond Rs.10 Lakh after perusing the request letter along with the proposal application form received from interested borrowers giving the details of loans to be restructured.
8. The existing credit policy will be followed with respect to any deviations while restructuring the Loans.
9. The monthly instalment will be structured in a manner that only interest is payable by the borrower in respect of the outstanding loan amount for up to the first 6 months depending upon the requirement of each borrower and the subsequent instalments will be structured in such a manner that the customer would be able to service them without any hassles.
10. The company will also follow the guidelines issued by Reserve Bank of India in respect of restructuring of its loans.

Further, Reserve Bank of India (RBI) had come out with Resolution framework 2.0 applicable to all eligible borrowers vide its notification RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 for Individuals and Small Businesses and vide its notification RBI/2021-22/32 DOR.STR. REC.12/21.04.048/2021-22 dated May 5, 2021 for Micro, Small and Medium Enterprises (MSMEs) and the Company had framed a policy and implemented the Resolution Framework 2.0

Loans and advances to Directors

Unless sanctioned by the Board of Directors, The Company shall not grant loans and advances aggregating Rupees five crores and above to:
i) The directors (including the Chairman/ Managing Director) or relatives of directors. ii) any firm in which any of the directors or their relatives is interested as a partner, manager, employee or guarantor. iii) any company in which any of the directors, or their relatives is interested as a major shareholder, director, manager, employee or guarantor.

Provided that a director or her relatives shall be deemed to be interested in a company, being the subsidiary or holding company, if she is a major shareholder or is in control of the respective holding or subsidiary company.

Provided that directors who are directly or indirectly concerned or interested in any proposal should disclose the nature of their interest to the Board when any such proposal is discussed. they should recuse themselves from the meeting unless their presence are required by the other directors for the purpose of eliciting information and the directors so required to be present shall not vote on any such proposal.

The proposals for credit facilities of an amount less than Rupees five crore to these borrowers may be sanctioned by the appropriate authority in the Company under powers vested in such authority, but the matter should be reported to the Board.

Loans and advances to Senior Officers of the Company All Loans and advances sanctioned to senior officers of the Company shall be reported to the Board.

No senior officer or any Committee comprising, inter alia, a senior officer as member, shall, while exercising powers of sanction of any credit facility, sanction any credit facility to a relative of that senior officer. Such a facility shall be sanctioned by the next higher sanctioning authority under the delegation of powers.

In respect of grant of loans to Directors, their relatives, any firm/Company in which directors or their relatives are interested and senior officers; the Company shall obtain a declaration from the borrower giving details of the relationship of the borrower to their directors/ senior officers for loans and advances aggregating Rupees five crore and above. The Company shall recall the loan if it comes to its knowledge that the borrower has given a false declaration.

Loans and advances to Real Estate Sector

While appraising loan proposals involving real estate, The Company shall ensure that the borrowers have obtained prior permission from government/ local government/ other statutory authorities for the project, wherever required. To ensure that the loan approval process is not hampered on account of this, while the proposals may be sanctioned in normal course, the disbursements shall be made only after the borrower has obtained requisite clearances from the government / other statutory authorities and submit the same to the Company.

The above norms as mentioned Loans and advances to Directors/Senior officers/Real estate sector relating to grant of loans and advances will equally apply to awarding of contracts.

Explanation: The term 'loans and advances' will not include loans or advances against - a.

Government securities

b. Life insurance policies
c. Fixed deposits
d. Stocks and shares
e. Housing loans, car advances, etc. granted to an employee of the Company under any scheme applicable generally to employees.

Provided that the Company's interest/lien is appropriately marked with legal enforceability.

SHRIRAM TRANSPORT FINANCE COMPANY LIMITED

Related Parties as on 30th September 2022

Relationship		Name of the party
I	Promoter	: Shriram Capital Limited
II	Promoter group	: Shriram Financial Ventures (Chennai) Private Limited Shriram Value Services Limited Novac Technology Solutions (P) Limited Shriram Fortune Solutions Limited Shriram General Insurance Company Limited Shriram Insight Share Brokers Limited Shriram Life Insurance Company Limited Shriram Asset Management Company Limited Shriram Financial Products Solutions (Chennai) Private Limited Insight Commodities and Futures Private Limited (Upto 18th May, 2022) Shriram Credit Company Limited Shriram Overseas Investments Private Limited Shriram Wealth Limited Bharath Investments Pte. Ltd., Singapore SGI Philippines General Insurance Co. Inc. Novac Digital Service Private Limited Shriram LI Holdings Private Limited SLA funds Management India Private Limited Way2wealth Insurance Brokers Private Limited Way2wealth Securities Private Limited Way2wealth Brokers Private Limited Way2wealth Commodities Private Limited Shriram GI Holdings Private Limited Shriram Investment Holdings Limited Shriram Seva Sankalp Foundation Shriram Housing Finance Limited Shriram City Union Finance Limited
III	Associates	: Shriram Automall India Limited Cartradeexchange Solutions Private Limited Adroit Inspection Service Private Limited Augeo Asset Management Private Limited
IV	Key Management Personnel	: Mr. Umesh Revankar, Vice Chairman & Managing Director Mr. S. Lakshminarayanan, Chairman Mr. Y. S. Chakravarti Mr. Parag Sharma Mrs. Kishori Udeshi Mr. S. Sridhar Mr. Pradeep Kumar Panja Mr. D. V. Ravi Mr. Ignatius Michael Viljoen Mr. S.Sunder Mr. P.Sridharan Mr. Sudarshan Holla Mr. Nilesh Odedara Mr. U.Balasundara Rao Mr. Hardeep Singh Tur

V	Relatives of Key Management Personnel (with whom the company has transactions)	: Mrs. Suchita U. Revankar (spouse of Vice Chairman & MD) Mrs. Geeta G. Revankar (mother of Vice Chairman & MD) Mr. Anil G. Revankar (brother of Vice Chairman & MD) Mr. Shreyas U. Revankar (son of Vice Chairman & MD) Mr. Shirish U. Revankar (son of Vice Chairman & MD) Mr. Jayendra Purshottamdas Udeshi (spouse of Director Mrs. Kishori Udeshi) Mrs. P Suchitra (sister of Director Mr. Pradeep Kumar Panja) Mrs. P Surekha (sister of Director Mr. Pradeep Kumar Panja) Mrs. Rama Sharma (mother of Director Mr. Parag Sharma) Ms. Atibhi Sharma (daughter of Director Mr. Parag Sharma) Mr. Amit Sharma (brother of Director Mr. Parag Sharma) Mrs. Sujatha Sunder (spouse of Joint Managing Director Mr. S Sunder) Mrs. S. Arulmozhi (spouse of Joint Managing Director Mr. P Sridharan)
VI	Employees' benefit plan	: Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme

Related party transactions

Sr No.	Details of the counterparty		Type of related party transaction	Details of other related party transaction	Value of the related party transaction as approved by the audit committee	Remarks on approval by audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.									Notes
										In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments				Details of the loans, inter-corporate deposits, advances or investments					
	Name	Relationship of the counterparty with the listed entity or its subsidiary						Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Details of other indebtedness	Cost	Tenure	Nature (loan/ advance/ intercorporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)	
1	Shriram Capital Limited	Promoter	Any other transaction	Service Charges paid	46.00	Approved	23.00	11.41	12.52	-	-	-	-	-	-	-	-	-	-
2	Shriram Capital Limited	Promoter	Any other transaction	Received towards rent, electricity and common sharing expense	0.25	Approved	0.10	-	-	-	-	-	-	-	-	-	-	-	-
3	Shriram Capital Limited	Promoter	Any other transaction	Reimbursement of expenses	0.04	Approved	0.04	-	-	-	-	-	-	-	-	-	-	-	-
4	Shriram Value Services Limited	Promoter Group	Any other transaction	License Fees paid	105.01	Approved	105.01	77.85	58.33	-	-	-	-	-	-	-	-	-	-
5	Shriram Value Services Limited	Promoter Group	Any other transaction	Reimbursement of expenses	0.01	Approved	0.01	-	-	-	-	-	-	-	-	-	-	-	-
6	Novac Technology Solutions (P) Limited	Promoter Group	Any other transaction	Voice call services ,IT & BPO charges paid	80.00	Approved	28.23	1.96	6.03	-	-	-	-	-	-	-	-	-	-
7	Novac Technology Solutions (P) Limited	Promoter Group	Any other transaction	Super App Charges Paid	32.00	Approved	8.00	-	-	-	-	-	-	-	-	-	-	-	-
8	Management Company Limited	Promoter Group	Any other transaction	Rent paid	0.10	Approved	0.01	-	-	-	-	-	-	-	-	-	-	-	-
9	Management Company Limited	Promoter Group	Any other transaction	Investment in Mutual Fund	15.00	Approved	15.00	-	15.00	-	-	-	-	-	-	-	-	-	-
10	Shriram Life Insurance Company Limited	Promoter Group	Any other transaction	Insurance premium paid	8.00	Approved	6.55	-	-	-	-	-	-	-	-	-	-	-	-
11	Shriram Life Insurance Company Limited	Promoter Group	Any other transaction	Commission received	15.74	Approved	7.87	1.46	1.28	-	-	-	-	-	-	-	-	-	-
12	Shriram Life Insurance Company Limited	Promoter Group	Sale of fixed assets		0.02	Approved	0.02	-	-	-	-	-	-	-	-	-	-	-	-
13	Insurance Company Limited	Promoter Group	Any other transaction	Insurance premium paid	5.00	Approved	2.04	-	-	-	-	-	-	-	-	-	-	-	-
14	Insurance Company Limited	Promoter Group	Any other transaction	Insurance claim received	0.54	Approved	0.54	-	-	-	-	-	-	-	-	-	-	-	-
15	Insurance Company Limited	Promoter Group	Any other transaction	Commission received	33.41	Approved	16.71	3.21	4.17	-	-	-	-	-	-	-	-	-	-
16	Shriram Fortune Solutions Limited	Promoter Group	Any other transaction	Commission & sales promotion paid	125.00	Approved	57.94	6.37	10.23	-	-	-	-	-	-	-	-	-	-
17	Shriram Fortune Solutions Limited	Promoter Group	Any other transaction	Recovery of common sharing expenses	1.50	Approved	0.43	-	-	-	-	-	-	-	-	-	-	-	-
18	Products Solutions (Chennai) Private Limited	Promoter Group	Any other transaction	Commission & sales promotion paid	15.00	Approved	3.01	1.85	1.29	-	-	-	-	-	-	-	-	-	-
19	Shriram Insight Share Brokers Limited	Promoter Group	Any other transaction	Commission & sales promotion paid	15.00	Approved	5.43	0.65	0.83	-	-	-	-	-	-	-	-	-	-
20	Shriram Insight Share Brokers Limited	Promoter Group	Any other transaction	Recovery of common sharing expenses	5.00	Approved	0.01	-	-	-	-	-	-	-	-	-	-	-	-
21	Shriram Wealth Limited	Promoter Group	Any other transaction	Commission & sales promotion paid	5.00	Approved	1.19	0.08	0.19	-	-	-	-	-	-	-	-	-	-

Related party transactions

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	Details of the counterparty							In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments				Details of the loans, inter-corporate deposits, advances or investments					
Sr No.	Name	Relationship of the counterparty with the listed entity or its subsidiary	Type of related party transaction	Details of other related party transaction	Value of the related party transaction as approved by the audit committee	Remarks on approval by audit committee	Value of transaction during the reporting period	Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Details of other indebtedness	Cost	Tenure	Nature (loan/ advance/ intercorporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)	Notes
22	Way2wealth Securities Pvt. Ltd	Promoter Group	Any other transaction	Commission & sales promotion paid	2.00	Approved	0.20	0.08	0.14	-	-	-	-	-	-	-	-	-	-
23	Shriram Automall India Limited	Associates	Any other transaction	administrative expense paid	25.00	Approved	12.52	-	-	-	-	-	-	-	-	-	-	-	-
24	Shriram Automall India Limited	Associates	Any other transaction	Business Mobilisation expense	2.00	Approved	0.02	-	-	-	-	-	-	-	-	-	-	-	-
25	Shriram Automall India Limited	Associates	Any other transaction	Valuation charges paid	0.00	Approved	0.00	-	-	-	-	-	-	-	-	-	-	-	-
26	Shriram Automall India Limited	Associates	Any other transaction	Recovery of common sharing expenses	2.00	Approved	0.12	-	-	-	-	-	-	-	-	-	-	-	-
27	Shriram Automall India Limited	Associates	Any other transaction	Reimbursement of expenses	0.11	Approved	0.11	-	-	-	-	-	-	-	-	-	-	-	-
28	Shriram Automall India Limited	Associates	Any other transaction	Received towards Rent & electricity	7.00	Approved	2.16	-	-	-	-	-	-	-	-	-	-	-	-
29	Shriram Automall India Limited	Associates	Dividend received		5.35	Approved	5.35	-	-	-	-	-	-	-	-	-	-	-	-
30	Shriram Credit Company Limited	Promoter group	Any other transaction	Recovery of common sharing expenses	0.10	Approved	0.04	-	-	-	-	-	-	-	-	-	-	-	-
31	Adroit Inspection Service Private Limited	Associates	Any other transaction	Commission paid	3.00	Approved	0.23	-	-	-	-	-	-	-	-	-	-	-	-
32	Shriram Seva Sankalp Foundation	Promoter Group	Any other transaction	CSR expenses	65.00	Approved	42.28	-	-	-	-	-	-	-	-	-	-	-	-
33	Shriram Housing Finance Limited	Promoter Group	Sale of fixed assets		0.01	Approved	0.01	-	-	-	-	-	-	-	-	-	-	-	-
34	Shriram Housing Finance Limited	Promoter Group	Any other transaction	Recovery of common sharing expenses	2.00	Approved	0.03	-	-	-	-	-	-	-	-	-	-	-	-
35	Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme	Other related party	Any other transaction	Employer contribution to employees group gratuity assurance scheme	15.00	Approved	1.19	-	-	-	-	-	-	-	-	-	-	-	-
36	Shriram Life Insurance Company Limited	Promoter Group	Any other transaction	Interest on subordinated debt paid	-	At applicable rates on respective sub debts	3.21	-	-	-	-	-	-	-	-	-	-	-	-
37	Shriram General Insurance Company Limited	Promoter Group	Any other transaction	Interest on subordinated debt paid	-	At applicable rates on respective sub debts	20.56	-	-	-	-	-	-	-	-	-	-	-	-
38	Shriram Life Insurance Company Limited	Promoter Group	Any other transaction	Interest on non-convertible debenture paid	-	At applicable rates on respective NCDs	2.35	-	-	-	-	-	-	-	-	-	-	-	-

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	Details of the counterparty							In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments				Details of the loans, inter-corporate deposits, advances or investments					
Sr No.	Name	Relationship of the counterparty with the listed entity or its subsidiary	Type of related party transaction	Details of other related party transaction	Value of the related party transaction as approved by the audit committee	Remarks on approval by audit committee	Value of transaction during the reporting period	Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Details of other indebtedness	Cost	Tenure	Nature (loan/ advance/ intercorporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)	Notes
39	Shriram Asset Management Company Limited	Promoter Group	Any other transaction	Interest on non-convertible debenture paid	-	At applicable rates on respective NCDs	0.19	-	-	-	-	-	-	-	-	-	-	-	-
40	Shriram Insight Share Brokers Limited	Promoter Group	Any other transaction	Interest on non-convertible debenture paid	-	At applicable rates on respective NCDs	0.01	-	-	-	-	-	-	-	-	-	-	-	-
41	Shriram Automall India Limited	Associates	Any other transaction	Interest on non-convertible debenture paid	-	At applicable rates on respective NCDs	0.76	-	-	-	-	-	-	-	-	-	-	-	-
42	Shriram Asset Management Company Limited	Promoter Group	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.1000 crores approved for Promoter Group and Associates.	20.00	29.57	51.02	-	-	-	-	-	-	-	-	-	-
43	Cartradeexchange Solutions Private Limited	Associates	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.1000 crores approved for Promoter Group and Associates.	4.50	11.92	16.95	-	-	-	-	-	-	-	-	-	-
44	Shriram Automall India Limited	Associates	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.1000 crores approved for Promoter Group and Associates.	9.16	77.45	84.45	-	-	-	-	-	-	-	-	-	-
45	Shriram Automall India Limited	Associates	Any other transaction	Interest on Inter corporate Deposit paid	0.46	Approved	0.46	-	-	-	-	-	-	-	-	-	-	-	-
46	Shriram Automall India Limited	Associates	Any other transaction	Inter corporate deposit repaid	40.12	Approved	40.12	-	-	-	-	-	-	-	-	-	-	-	-
47	Shriram Automall India Limited	Associates	Any other transaction	Inter corporate deposit accepted	13.75	Approved	13.75	-	-	-	-	-	-	-	-	-	-	-	-
48	Mr. Umesh Revankar	Key Management Personnel	Remuneration		0.69	Approved	0.69	-	-	-	-	-	-	-	-	-	-	-	-
49	Mr. Nilesh Odedara	Key Management Personnel	Remuneration		0.40	Approved	0.40	-	-	-	-	-	-	-	-	-	-	-	-
50	Mr. P.Sridharan	Key Management Personnel	Remuneration		0.41	Approved	0.41	-	-	-	-	-	-	-	-	-	-	-	-

Related party transactions

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	Details of the counterparty							In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments				Details of the loans, inter-corporate deposits, advances or investments					
Sr No.	Name	Relationship of the counterparty with the listed entity or its subsidiary	Type of related party transaction	Details of other related party transaction	Value of the related party transaction as approved by the audit committee	Remarks on approval by audit committee	Value of transaction during the reporting period	Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Details of other indebtedness	Cost	Tenure	Nature (loan/ advance/ intercorporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)	Notes
51	Mr. S.Sunder	Key Management Personnel	Remuneration		0.42	Approved	0.42	-	-	-	-	-	-	-	-	-	-	-	-
52	Mr. Parag Sharma	Key Management Personnel	Remuneration		0.46	Approved	0.46	-	-	-	-	-	-	-	-	-	-	-	-
53	Mr. U.Balasundara Rao	Key Management Personnel	Remuneration		0.41	Approved	0.41	-	-	-	-	-	-	-	-	-	-	-	-
54	Mr. Sudarshan Holla	Key Management Personnel	Remuneration		0.41	Approved	0.41	-	-	-	-	-	-	-	-	-	-	-	-
55	Mr. Hardeep Singh Tur	Key Management Personnel	Remuneration		0.41	Approved	0.41	-	-	-	-	-	-	-	-	-	-	-	-
56	Mr. S. Lakshminarayanan	Key Management Personnel	Any other transaction	Commission & sitting fee paid to directors	0.27	Approved by Board	0.27	-	-	-	-	-	-	-	-	-	-	-	-
57	Mrs. Kishori Udeshi	Key Management Personnel	Any other transaction	Commission & sitting fee paid to directors	0.26	Approved by Board	0.26	-	-	-	-	-	-	-	-	-	-	-	-
58	Mr. S. Sridhar	Key Management Personnel	Any other transaction	Commission & sitting fee paid to directors	0.25	Approved by Board	0.25	-	-	-	-	-	-	-	-	-	-	-	-
59	Mr. Pradeep Kumar Panja	Key Management Personnel	Any other transaction	Commission & sitting fee paid to directors	0.26	Approved by Board	0.26	-	-	-	-	-	-	-	-	-	-	-	-
60	Shriram Automall India Limited	Associates	Any other transaction	Interest on fixed deposit paid	-	At applicable rates on respective deposits	0.34	-	-	-	-	-	-	-	-	-	-	-	-
61	Mr. Parag Sharma	Key Management Personnel	Any other transaction	Interest on fixed deposit paid		At applicable rates on respective deposits	0.00	-	-	-	-	-	-	-	-	-	-	-	-
62	Mr. Hardeep Singh Tur	Key Management Personnel	Any other transaction	Interest on fixed deposit paid	-	At applicable rates on respective deposits	0.00	-	-	-	-	-	-	-	-	-	-	-	-
63	Mr. Shirish U. Revankar	Relatives of Key Management Personnel	Any other transaction	Interest on fixed deposit paid	-	At applicable rates on respective deposits & NCDs	0.00	-	-	-	-	-	-	-	-	-	-	-	-
64	Mrs. S. Arulmozhi	Relatives of Key Management Personnel	Any other transaction	Interest on fixed deposit paid	-	At applicable rates on respective deposits & NCDs	0.00	-	-	-	-	-	-	-	-	-	-	-	-

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Sr No.	Name	Relationship of the counterparty with the listed entity or its subsidiary	Type of related party transaction	Details of other related party transaction	Value of the related party transaction as approved by the audit committee	Remarks on approval by audit committee	Value of transaction during the reporting period	Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Details of other indebtedness	Cost	Tenure	Nature (loan/ advance/ intercorporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)	Notes
65	Mrs. Sujatha Sunder	Relatives of Key Management Personnel	Any other transaction	Interest on fixed deposit paid	-	At applicable rates on respective deposits & NCDs	0.00	-	-	-	-	-	-	-	-	-	-	-	-
66	Mr. Parag Sharma	Key Management Personnel	Any other transaction	Fixed deposit repaid	0.00	Overall limit of Rs.5 crores approved for Key Management Personnels and their relatives	0.00	-	-	-	-	-	-	-	-	-	-	-	-
67	Mr. Hardeep Singh Tur	Key Management Personnel	Any other transaction	Fixed deposit repaid	0.03	Overall limit of Rs.5 crores approved for Key Management Personnels and their relatives	0.03	-	-	-	-	-	-	-	-	-	-	-	-
68	Mr. Shirish U. Revankar	Relatives of Key Management Personnel	Any other transaction	Fixed deposit repaid	0.00	Overall limit of Rs.5 crores approved for Key Management Personnels and their relatives	0.00	-	-	-	-	-	-	-	-	-	-	-	-
69	Shriram Automall India Limited	Associates	Any other transaction	Fixed deposit repaid	5.00	Approved	5.00	-	-	-	-	-	-	-	-	-	-	-	-
70	Mr. Hardeep Singh Tur	Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	0.00	0.03	-	-	-	-	-	-	-	-	-	-	-
71	Mr. Parag Sharma	Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	0.00	0.00	0.00	-	-	-	-	-	-	-	-	-	-

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72	Mr. S. Sridhar	Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	0.10	0.11	0.21	-	-	-	-	-	-	-	-	-	-
73	Mrs. Geeta G. Revankar	Relatives of Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	0.01	0.09	0.11	-	-	-	-	-	-	-	-	-	-
74	Mr. Shreyas U. Revankar	Relatives of Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	0.01	0.06	0.07	-	-	-	-	-	-	-	-	-	-
75	Mr. Shirish U. Revankar	Relatives of Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	0.01	0.04	0.05	-	-	-	-	-	-	-	-	-	-
76	Mrs. P Suchitra	Relatives of Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	0.03	0.23	0.27	-	-	-	-	-	-	-	-	-	-
77	Mrs. P Surekha	Relatives of Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	0.07	0.05	0.13	-	-	-	-	-	-	-	-	-	-
78	Shriram Capital Limited	Promoter	Any other transaction	Share capital	70.44	Approved	-	70.44	70.44	-	-	-	-	-	-	-	-	-	-

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79	Shriram Value Services Limited	Promoter Group	Any other transaction	Share capital	8.96	Approved	-	1.06	8.96	-	-	-	-	-	-	-	-	-	-
80	Mr. Parag Sharma	Key Management Personnel	Any other transaction	Share capital	0.05	Approved	-	0.05	0.05	-	-	-	-	-	-	-	-	-	-
81	Mr. S.Sunder	Key Management Personnel	Any other transaction	Share capital	0.00	Approved	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
82	Mr. P.Sridharan	Key Management Personnel	Any other transaction	Share capital	0.00	Approved	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
83	Mr. Sudarshan Holla	Key Management Personnel	Any other transaction	Share capital	0.00	Approved	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
84	Mr. U.Balasundara Rau	Key Management Personnel	Any other transaction	Share capital	0.00	Approved	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
85	Mr. Anil G. Revankar	Relatives of Key Management Personnel	Any other transaction	Share capital	0.00	Approved	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
86	Shriram Automall India Limited	Associates	Any other transaction	Investment in equity shares	13.37	Approved	-	13.37	13.37	-	-	-	-	-	-	-	-	-	-
87	Shriram Seva Sankalp Foundation	Promoter Group	Any other transaction	Investment in equity shares	0.02	Approved	-	-	0.02	-	-	-	-	-	-	-	-	-	-
88	Shriram Automall India Limited	Associates	Any other transaction	Outstanding Expenses	-	Approved	-	0.91	0.82	-	-	-	-	-	-	-	-	-	-
89	Mrs. Kishori Udeshi	Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	-	1.27	1.32	-	-	-	-	-	-	-	-	-	-
90	Mr. Pradeep Kumar Panja	Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	-	0.06	0.06	-	-	-	-	-	-	-	-	-	-
91	Mrs. Suchita U. Revankar	Relatives of Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	-	0.03	0.03	-	-	-	-	-	-	-	-	-	-

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Sr No.	Details of the counterparty		Type of related party transaction	Details of other related party transaction	Value of the related party transaction as approved by the audit committee	Remarks on approval by audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments				Details of the loans, inter-corporate deposits, advances or investments					Notes
	Name	Relationship of the counterparty with the listed entity or its subsidiary						Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Details of other indebtedness	Cost	Tenure	Nature (loan/ advance/ intercorporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)	
92	Mr. Amit Sharma	Relatives of Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	-	0.02	0.02	-	-	-	-	-	-	-	-	-	-
93	Mrs. S. Arulmozhi	Relatives of Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	-	0.06	0.06	-	-	-	-	-	-	-	-	-	-
94	Ms. Atibhi Sharma	Relatives of Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	-	0.05	0.05	-	-	-	-	-	-	-	-	-	-
95	Mr. Jayendra Purshottamdas Udeshi	Relatives of Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	-	0.49	0.52	-	-	-	-	-	-	-	-	-	-
96	Mrs. Rama Sharma	Relatives of Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	-	0.36	0.38	-	-	-	-	-	-	-	-	-	-
97	Mrs. Sujatha Sunder	Relatives of Key Management Personnel	Any other transaction	Fixed deposit accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	-	0.05	0.05	-	-	-	-	-	-	-	-	-	-

Related party transactions

										Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.									
	Details of the counterparty							In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments				Details of the loans, inter-corporate deposits, advances or investments					
Sr No.	Name	Relationship of the counterparty with the listed entity or its subsidiary	Type of related party transaction	Details of other related party transaction	Value of the related party transaction as approved by the audit committee	Remarks on approval by audit committee	Value of transaction during the reporting period	Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Details of other indebtedness	Cost	Tenure	Nature (loan/ advance/ intercorporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)	Notes
98	Mr. Pradeep Kumar Panja	Key Management Personnel	Any other transaction	Non-convertible debenture accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	-	0.13	0.13	-	-	-	-	-	-	-	-	-	-
99	Mrs. P Suchitra	Relatives of Key Management Personnel	Any other transaction	Non-convertible debenture accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	-	0.05	0.05	-	-	-	-	-	-	-	-	-	-
100	Mrs. P Surekha	Relatives of Key Management Personnel	Any other transaction	Non-convertible debenture accepted	-	Overall limit of Rs.10 crores approved for Key Management Personnels and their relatives	-	0.04	0.04	-	-	-	-	-	-	-	-	-	-
101	Shriram Life Insurance Company Limited	Promoter Group	Any other transaction	Non-convertible debenture accepted	-	Overall limit of Rs.1000 crores approved for Promoter Group and Associates.	-	36.71	35.97	-	-	-	-	-	-	-	-	-	-
102	Shriram Asset Management Company Limited	Promoter Group	Any other transaction	Non-convertible debenture accepted	-	Overall limit of Rs.1000 crores approved for Promoter Group and Associates.	-	2.50	2.42	-	-	-	-	-	-	-	-	-	-
103	Shriram Insight Share Brokers Limited	Promoter Group	Any other transaction	Non-convertible debenture accepted	-	Overall limit of Rs.1000 crores approved for Promoter Group and Associates.	-	0.08	0.07	-	-	-	-	-	-	-	-	-	-

Related party transactions

										Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.									
	Details of the counterparty							In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments				Details of the loans, inter-corporate deposits, advances or investments					
Sr No.	Name	Relationship of the counterparty with the listed entity or its subsidiary	Type of related party transaction	Details of other related party transaction	Value of the related party transaction as approved by the audit committee	Remarks on approval by audit committee	Value of transaction during the reporting period	Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Details of other indebtedness	Cost	Tenure	Nature (loan/ advance/ intercorporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)	Notes
104	Shriram Automall India Limited	Associates	Any other transaction	Non-convertible debenture accepted	-	Overall limit of Rs.1000 crores approved for Promoter Group and Associates.	-	17.86	17.91	-	-	-	-	-	-	-	-	-	-
105	Shriram Life Insurance Company Limited	Promoter Group	Any other transaction	Subordinated debt accepted	-	Overall limit of Rs.1000 crores approved for Promoter Group and Associates.	-	149.04	152.71	-	-	-	-	-	-	-	-	-	-
106	Shriram General Insurance Company Limited	Promoter Group	Any other transaction	Subordinated debt accepted	-	Overall limit of Rs.1000 crores approved for Promoter Group and Associates.	-	367.03	363.68	-	-	-	-	-	-	-	-	-	-
107	Shriram Automall India Limited	Associates	Any other transaction	Inter corporate deposit received	-	Overall limit of Rs.1000 crores approved for Promoter Group and Associates.	-	27.45	1.08	-	-	-	-	-	-	-	-	-	-
Total value of transaction during the reporting period							470.71												

SHRIRAM

Transport Finance Company Limited

A WINNING RELATIONSHIP

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FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

CORPORATE
INFORMATION

Corporate Identity Number (CIN)

L65191TN1979PLC007874

BOARD OF DIRECTORS

Chairman (Non - Executive)
Mr. S. Lakshminarayanan (Independent)

Managing Director & CEO
Mr. Umesh Revankar

Directors
Mrs. Kishori Udeshi (Independent)
Mr. S. Sridhar (Independent)
Mr. Pradeep Kumar Panja (Independent)
Mr. Puneet Bhatia
Mr. D. V. Ravi
Mr. Gerrit Lodewyk Van Heerde
(upto May 08, 2019)
Mr. Ignatius Michael Viljoen
(w.e.f. May 14, 2019)

EXECUTIVE DIRECTOR & CFO

Mr. Parag Sharma

COMPANY SECRETARY

Mr. Vivek Achwal

AUDITORS

M/s. Haribhakti & Co., LLP, Chartered Accountants
M/s. Pijush Gupta & Co., Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

Integrated Registry Management Services Private Limited,
2nd Floor, 'Kences Towers', No. 1,
Ramakrishna Street, North Usman Road,
T. Nagar, Chennai - 600 017. Tel No. : +91 44 281 408 01/02/03, Fax: +91 44 2814 2479

DEBENTURE TRUSTEES

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17, R Kamani Marg,
Ballard Estate, Mumbai – 400 001.
Mr. Jatin Bhat
Tel No. : +91 22 40807000, Fax: + 91 22 66311776
itsl@idbitrustee.com

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg,
Dadar West, Mumbai- 400 028.
Mr. Anil Grover
Tel No. : + 91 22 6230 0451, Fax: +91 22 6230 0700
debenturetrustee@axistrustee.com

Catalyst Trusteeship Limited (Formerly known as GDA Trusteeship Limited)
Office No. 604, 6th floor, Windsor,
C.S.T. Road, Kalina, Santacruz (East), Mumbai 400098.
Mr. Umesh Salvi
Tel No. : +91 22 – 49220555, Fax: +91 22 49220505
umesh.salvi@ctltrustee.com

REGISTERED OFFICE

Mookambika Complex, 3rd Floor, No. 4,
Lady Desika Road, Mylapore, Chennai – 600 004.
Tel No. : +91 44 2499 0356 Fax: +91 44 2499 3272

CORPORATE OFFICE

Wockhardt Towers, West Wing, Level-3, C-2, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
Tel No. : +91 22 4095 9595, Fax: +91 22 4095 9597

LISTED AT

National Stock Exchange of India Limited
BSE Limited

LIST OF INSTITUTIONS

- International Finance Corporation (IFC)
- Life Insurance Corporation of India
- Micro Units Development and Refinance Agency Bank (MUDRA)
- National Bank for Agriculture and Rural Development (NABARD)
- NEC Capital Solutions Limited
- Oesterreichische Entwicklungsbank AG (OeEB)
- Proparco
- Small Industries Development Bank of India (SIDBI)

LIST OF BANKS

- Allahabad Bank(Merged with Indian Bank)
- Andhra Bank(Merged with Union Bank of India)
- Axis Bank Limited
- Bank of America N.A.
- Bank of Baroda
- Bank of India
- Bank of Maharashtra
- Barclays Bank PLC
- BNP Paribas SA
- Canara Bank
- Central Bank of India
- Citibank N.A.
- Credit Suisse
- DBS Bank Limited
- Deutsche Bank AG
- Doha Bank
- Emirates NBD Bank PJSC
- FirstRand Bank Limited
- HDFC Bank Limited
- ICICI Bank Limited
- IDBI Bank Limited
- IDFC First Bank Limited
- Indian Bank
- Indian Overseas Bank
- IndusInd Bank Limited
- ING Bank, a Branch of ING-DiBa AG
- JP Morgan Chase Bank N.A.
- Karnataka Bank Limited
- KEB Hana Bank
- Kotak Mahindra Bank Limited
- Mizuho Bank Limited
- MUFG Bank
- Oriental Bank of Commerce (Merged with Punjab National Bank)
- PT Bank Rakyat (Indonesia)Persero Tbk, Singapore Branch
- Punjab & Sind Bank
- Punjab National Bank
- Qatar National Bank Q.P.S.C
- RBL Bank Limited
- Shinhan Bank
- South Indian Bank Limited
- Standard Chartered Bank
- State Bank of India
- Sumitomo Mitsui Banking Corporation
- Syndicate Bank (Merged with Canara Bank)
- The Hongkong and Shanghai Banking Corporation Limited
- The National Bank of Ras Al Khamirah
- The Zoroastrian Co-operative Bank Limited
- UCO Bank
- Union Bank of India
- United Bank of India(Merged with Punjab National Bank)
- United Overseas Bank
- Woori Bank
- Yes Bank Limited

Shriram Transport Finance Company Limited (STFC) is the flagship company of Shriram Group – a diversified group with interests in financial services viz. Commercial vehicle finance, Consumer Finance, life and general insurance, stock broking, chit funds and distribution of financial products such as life and general insurance products and units of mutual funds.

Established in 1979, STFC is an asset financing Non-Banking Finance Company.*

Headquartered in Mumbai, STFC has played a credible role in financial inclusion of millions of First Time Buyers (FTBs) and driver-turned-owner (DTO) by offering affordable finance on pre-owned commercial vehicles (CVs).

*RBI has merged Asset Financing Companies, Loan Companies and Investment companies in to a new category "NBFC - Investment and Credit Company" vide its circular no. DNBR (PD) CC. No. 097/03.10.001/2018-19 dated February 22, 2019

A professionally managed company, STFC has fostered the culture of entrepreneurship across all levels in the organization. Presently, the company is driven by **28,045** employees (including business team ~22,000) championing a unique "relationship-based" business model through a pan-India network comprising **1,758** branches, **831** rural centers and partnerships with ~**500** private financiers.

STFC, being a pioneer in pre-owned CV segment, has institutionalized its expertise in loan origination, valuation and collection. Over the years, STFC has created "an ecosystem of empowerment" by expanding its products and services to encompass similar asset classes (pre-owned and new commercial and passenger vehicles, tractors, 3 wheelers, multi-utility vehicles, etc.) and ancillary services (finance for working capital, engine replacement, small business finance loans, tyre-loans and fuel loans as holistic financing support).

STFC is listed on the BSE Ltd (stock code: 511218) and the National Stock Exchange of India Ltd (stock code: SRTRANSFIN). Its market capitalization as on March 31, 2020 stood at **Rs. 14,770 crores**.

PERFORMANCE IN NUMBERS

STANDALONE BASIS

Assets under management stands at **Rs. 109,750** crores

Securitisation done during the year **Rs. 16,581** crores

Total income for the year **Rs. 16,583** crores

Profit after tax for the year **Rs. 2,502** crores

Net interest income for the year **Rs. 7,917** crores

Earnings per share for the year **Rs. 110.27**

ANNUAL

PERFORMANCE TRENDS STANDALONE BASIS

ASSETS UNDER MANAGEMENT (Rs. crores)

TOTAL INCOME (Rs. crores)

NET INTEREST INCOME (Rs. crores)

NET PROFIT (Rs. crores)

** Figures as per IGAAP. # Figures as per Ind AS.*

EPS (BASIC) (Rs.)

NPA/STAGE 3 (%)

** Figures as per IGAAP. # Figures as per Ind AS.*

BRANCH NETWORK AS ON MARCH 31, 2020 : 1,758 BRANCHES

List of branches with addresses is available on the Company's website at the web link:
http://www.stfc.in/branch-locator.aspx

Environmental, Social and Governance Report

At Shriram Transport Finance Company Limited (hereinafter referred to as STFC), we are committed to report henceforth, regularly updated information on our environmental, social and governance (ESG) performance. This section provides details of our ESG concerns and performance, and other useful sources of information in our Annual Report and on our website.

At STFC, since last 40 years we believe in doing business responsibly, sustainably and in line with our values. This has been a key to building a successful business in the past and over the long term. We recognise our responsibilities not only to our shareholders, customers, lenders and employees, but also to the wider communities we serve.

We provide information about the impact of our business on people and the environment, as well as on the steps we take to ensure good corporate governance.

You can find further information about how STFC does business and its broad approach to many ESG-related topics in the approach section of this report, and details on Social bonds issued by STFC in this section.

The profile of ESG investing has risen rapidly in recent years. Fund managers and small and large investors are placing an increasing emphasis on ESG issues. This reflects changing societal and consumer expectations and a growing call for businesses to play a stronger role in tackling these issues. STFC suggests that, in addition to believing that businesses should do the right thing, investors increasingly see ESG issues as a differentiating factor in the long-term performance of the companies they invest in.

The details of ESG requirements are described below in various paragraphs, as follows:

SHRIRAM WAY OF DOING BUSINESS

When Drivers become Owners: Changing the face of modern India from the perspective of Used-vehicle Finance

STFC started its journey in the year 1979. The journey started with the mission of serving the aspirations of a perceived undeserved and hence neglected common man; by providing Host of Products and Services that would be helpful to him on his path to prosperity. The aspiration of being an entrepreneur and owner brings to him and his family prosperity, social status and prestige.

STFC realised one of the most significant contradictions of credit in India. Those who needed it the most were the ones who could not access it.

The stepping stone of the organisational journey was providing finance for purchase of Pre owned trucks. STFC strongly empathises and believes that viability and liability should be in consonance with aspiration and ability. While others were not confident of providing finance for pre owned trucks because they considered it as risky; STFC built its business model by developing capabilities in team to do proper assessment of value of the pre-owned truck, financing with sufficient equity participation, collection of instalments month on month by being continuously in touch, providing time to time support and guidance for smooth running of business, management of funds and successful ownership of the income generating asset.

STFC in its 40 years of existence has been able to make its humble contribution to Society. Constant support by each and every team member of STFC has helped the customers to become a successful owner of truck and go on to add more and more trucks over years.

"Though the Business environment changes and Products also change, STFC's Relationships with Customers remain the same."

CUSTOMERS

We aim to grow in a way that puts the customer at the centre by improving performance with digital enhancements while maintaining strong controls on the risk of financial crime.

Our relationship with customers - We create value by providing products and services to our customers' need and aim to do so in a way that fits seamlessly into their lives. This helps us to build long-lasting relationships with our customers.

When it comes to relationship, collection of dues is an important aspect. Despite being an Asset Financing NBFC, with security of a commercial asset ensuring collecting of dues, we believe in creating entrepreneurship and ownership and hence we insist on customers' equity and stake at the inception of credit and support customers in prudent management of their business. We are committed and responsible towards honouring their aspiration and hence don't take hasty decision of depriving them of their income generating asset in the topsy-turvy's of their transport business. Our dedicated on-roll employees are in constant touch with the customers with the feeling of customer service and collection responsibility and they very well understand the importance of hard earned public money deployed as credit. Besides, keeping up with the pace of technological advancements and need of the hour, organisation on a continuous basis is enabling customers with various options of making payment of dues and avoid penalties of delayed payments.

We maintain trust by striving to protect our customers' data and information, and delivering fair outcomes for them. If things do go wrong, we aim to take action in a timely manner.

Operating with high standards of conduct is central to our long-term success and underpins our ability to serve our customers.

Acting on feedback - Based on feedback, we have launched a number of measures that are currently being rolled out across all of our products and business lines. For example:

Area of Focus	Action
Improving customer service	Endless efforts towards reaching out and expeditiously serving customer expectations digitally up to the satisfaction level of serving physically has been duly recognised as need of the hour. Besides, well drafted and communicated policy and procedures on Grievance Redressal Mechanism aim at assuming high standards of customer service.
Making our processes Easier	Customer Service aspect in the company surpasses hierarchical bounds and every employee of STFC is empowered to give ideas / suggestions to the management for betterment of processes and customer service, with all deserved recognition. There is an Employee Rewards Program serving this cause. STFC has always been highly compassionate and thankful in hearing from its workforce serving customers through its branch network and expeditiously acting towards their customer relationship aspects.
Enhancing customer Experience	Usage of chosen vernacular language in our communications, keeping customers updated and enthused through newsletters, technologically connected through mobile applications, etc.

EMPLOYEES

The philosophy of Relationship and Connect is reflected not only in customer service, but it is a Shriram Way of doing Business. Our Employees are our highly valued and honoured Assets and we leave no stone unturned in recognising and nurturing talents and relationships.

STFC has believed in identifying Local Talent and has built in-house facilities to Train, Nurture and Build People, and Build

Leadership for bigger responsibilities. Almost all the employees in Top Notch Roles are the ones who started their journey with the company and with trainings, continuous guidance & mentoring have reached highly respected levels in the organisation. STFC believes that to understand and connect with its customers with diversities of profiles, aspirations and languages, talents are identified locally. Further, the talents are acclimatised, groomed and nurtured by their Supervisors, Training Team, Review Panels, Seniors and Mentors. Company has built continuous Learning Platform E-Learning, Virtual Classrooms. Future Leadership Training-Talent Pool is prepared on a periodical basis based on various performance parameters and such employees are being trained at a regular interval to prepare themselves for leadership roles in future.

Shriram Transport Finance also has Management Learning Programmes within the company which enables employees to undergo Management courses and build Managerial skills. The low Attrition rate supports that the Company cares for its Employees.

STFC Training Team imparts various trainings at periodical intervals, namely Induction Training- Targeting the new employees who are inducted in to the Organization, Refresher Training-Targeting the existing employees on various products and process to upgrade on the recent changes, Future Leadership Training-Talent Pool is prepared on a periodical basis based on various performance parameters and such employees are being trained at a regular interval to prepare themselves for leadership roles In future, etc.

STFC in association with Shriram Leadership Academy has developed a customized E-Learning Platform wherein STFC's all Products and Processes are explained in a simple pictorial easy to understand format. It serves as an Orientation Platform for not only to new employees but also to existing employees.

Also through our Management Education Scheme, all employees are encouraged to enroll the program for improving their managerial skills. The program not only aims at up-skilling the team, but also gives recognition to successful candidates in form of certificates and hike of pay.

Apart from the above mentioned training programs employees are provided a ready reckoner learning materials in the form of video or PDF in their respective employee portal.

Learning materials are also shared through SMS Links and WhatsApp for quick learning.

Name of the Program	No. of Employees Covered
Induction Program	8,318
Refresher Program	3,170
E-Learning	25,927
Future Leadership Program	510
Management Education Scheme	1,295

**** for FY 2019-2020**

Besides Training, management also engages with the employees, as a continuous process, through periodical Reviews wherein key stakeholders ensure that the employee is well directed and oriented towards the desired learning and performance parameters, which ensures their confirmations, promotions, role elevations, etc.

Women Diversity in Employee Workforce:

Out of the total workforce of 5,912 employees in Support Team, Our Women representation is 1,326 which constitutes 22% of the total support team.

ENVIRONMENT

STFC after building a strong base in funding of Pre owned Trucks started providing finance to small customers for purchase of Construction Equipments, Cars & Passenger Vehicles, Farm Equipments used for Commercial purpose. To enable the customers smoothly run their business, STFC started identifying its customers having other business and providing financial support for smooth running of the other business. Thus STFC became an "END TO END SOLUTION PROVIDER" to those associated with Transport, Construction, Farming Industry.

While building on funding of Pre owned vehicles /equipments, STFC has been responsibly shifting focus towards conscious and contributory Environmental Management. A key initiative is to shift our policy, from providing finance to vehicles with age more than 15 years it moved to vehicles no older than 12 years in first phase, and now only to vehicles no older than 10 years in line with Govt of India policy for addressing the Environmental issues. Pollution Under Control (PUC) Certification & BS Norms (EURO Norms equivalent in India) compliance takes precedence in our business sourcing, prospective customer interactions and funding decisions.

In addition to our internal policy, we proactively educate drivers on the importance of environmental sustainability and the importance to obtain and renew periodically the Pollution Under Control ("PUC") certificate under India's Central Motor Vehicles Rule. The number of trainings delivered are explained in the section below. Furthermore, STFC encourages its customers to replace their old age vehicles with younger age vehicles and thus works for its contribution to Environment.

SOCIAL

STFC has been contributing to Society by its philosophy of Empowering People, be it Customers or be it Employees it believes "PEOPLE FIRST". Shriram Transport Finance has been financing First Time Users/First Time Buyers who have aspiration to become an Entrepreneur. Shriram Transport Finance has been playing pivotal role in creating Entrepreneurs in the country, provide Employment opportunities for Drivers/Helpers /Loaders /Mechanics etc. and has never ever shifted its focus from bottom of Economic Pyramid.

STFC beyond its Customers and Employees has been caring for Society by providing Training and Skilling Programs which helps the Youth to get employment, e.g. Drivers Training Programme; by providing scholarships to needy children so that they can complete their education and by providing health checkups and medicines so that the Society is healthy, educated and employed.

Besides, as a Holistic Financial Service provider STFC cares for the financial well being of the families of its customers through Insurance Coverage; worth mentioning is the presence of SLIC (Shriram Life Insurance Company) & SGIC (Shriram General Insurance Company) in Shriram Group.

CUSTOMER	LOAN	ASSET
LIFE INSURANCE – LIFE CONTINUES IN CASE OF UNFORTUNATE DEMISE OF CUSTOMER	CREDIT SHIELD – ASSET OWNERSHIP REMAINS WITH FAMILY IN CASE OF DEMISE OF CUSTOMER	COMPREHENSIVE COVER – FOR ASSET & THIRD PARTY LOSS

In line with STFC's commitment to social development, STFC has established a Social Financing Framework, which aligns STFC's capital raising strategy with positive social impact. The Framework has been reviewed by Sustainalytics who has issued a Second Party Opinion, deeming it credible and impactful, and by KPMG who has issued a limited assurance report. In January 2020, STFC issued its first USD500 million social bond. Details related to STFC's social financing can be accessed through: **https://www.stfc.in/investors/social-finance-framework/**

Augmenting livelihoods through vocational and skill trainings

Government of India under its "Skill India mission "has initiated a number of schemes to achieve this end. Since inception the Government has emphasised that this vision cannot be achieved without multi-stakeholder collaboration, the corporate sector & business houses marked as a critical contributor. STFC has contributed towards this national goal by extending trainings for the skilling, re-skilling and up-skilling of drivers.

Key focus of STFC's driver training project

- Training is given to new drivers.
- Includes training in light motor vehicles (LMVs) and heavy motor vehicles (HMVs) and stressing on Rules/regulations, Safe Driving, Health & Hygiene, environmental protection, etc.
- Jobs/placement linkages, primarily in the commercial transport industry, are provided to trained drivers.

Skill Building outreach

Year	FY 2017-2018	FY 2018-2019	FY 2019-2020
LMV	318	1028	792
HMV	390	711	777
Total number of Candidates Trained	708	1739	1569

**** 3892 male candidates**

**** 124 female candidates**

Preventive Health Care Program for Truckers

Securing good health and well-being through Mobile Medical Units (MMUs) – A Good Health Ecosystem building Platform for transport fraternity.

Guided by the National Health Mission's (NHM) vision of ensuring that all people in the country can access quality and affordable health services, "MMU/Clinic" provide free-of-cost medical check-ups, lab tests and medicines to truckers community, that remain largely isolated from mainstream healthcare eco systems. STFC funded MMUs/Clinic are functional across 27 locations. It aims at improving the accessibility to primary healthcare for the weaker sections of the society.

Key focus of STFC funded MMUs/Clinic

- Free primary healthcare services.
- Screening, diagnosis, treatment and referral for non-communicable, communicable diseases, and minor ailments.
- Awareness, education and counselling on healthy practices, lifestyle modifications, non-communicable disease management etc.
- A unique model of Tobacco Cessation Counselling and referrals program for trucking community.
- Multi stakeholder partnership – Transport Associations, Government and Non – Govt. agency.

	FY 2018 – 2019			FY 2019 - 2020		
	Unique Registrations	Revisits	Total	Unique Registrations	Revisits	Total
TOTAL	1,72,868	65,007	2,37,875	1,98,757	1,31,883	3,30,640

Enhancing futures through better opportunities for quality education

STFC has been making specific contributions towards the achievement of the global goal by extending scholarships to enable and augment formal education and learning for children and youth from the families of transport fraternity.

EDUCATIONAL REGULAR SCHOLARSHIP

YEAR	BELOW 8TH	8TH	9TH	10TH	11TH	12TH	TOTAL
2018-19	1,195	15,189	9,361	6,458	6,303	1,010	39,516
2019-20	-	11,825	13,981	8,856	7,583	2,378	44,623

HIGHER EDUCATION SCHOLARSHIP

DIPLOMA/ POLYTECHNIC	GRADUATION	TOTAL
248	1,473	1,721

DATA MANAGEMENT

Disclosure about Data Security and Privacy

STFC has various security controls in place to mitigate risks and safeguard the Company against security breaches and technological lapses, including established disaster recovery centres located in different seismic zones, periodic upgrading of servers and data storage, and accreditation from the International Organisation for Standardisation for our Company's information security management system.

External Auditors conducts data security audits of ISO 27001 standard, Cyber Security, Vulnerability assessment and penetration testing (VAPT) on annual basis.

Management Discussion and Analysis

INDIAN ECONOMY, COVID-19 PANDEMIC AND LOCKDOWN

The Indian economy had witnessed an average GDP growth rate of 6% over the last decade and is one of the fastest growing economies in the world.

During the year 2019-20 the agriculture sector set a new record of food grain production on account of good monsoon. As per the third advance estimates of the Ministry of Agriculture released on May 15, 2020, the agriculture and allied activities has achieved increase of 3.7 per cent in food grains production. By benefiting from the bumper harvest, the Rabi crop procurement in respect of oilseeds, pulses and wheat has been encouraging.

However, during April-February:2019-20, the industrial growth decelerated by slowdown in manufacturing activity. Services sector activity had moderated.

Overall export and imports had shrunk by 1.5% and 7.3% respectively. With imports declining more than exports, the trade deficit narrowed to USD 143.1 billion in April-February 2019-20 as compared to USD 173 billion in corresponding period of April-February 2018-19. The Current Account Deficit (CAD) narrowed to 0.2% of GDP in Q-3 2019-20 from 0.9% in Q-2 of 2019-20 and from 2.7% in Q3 of a year ago. The contraction of CAD was primarily on account of a lower trade deficit and rise in net services receipts.

Despite the weak domestic growth outlook, Indian equity markets scaled new highs, before turning highly volatile in early-March in tandem with global equity markets. The net FDI inflows at USD 37.8 billion during April-January 2019-20 were substantially higher than a year ago. Portfolio investment recorded net outflows of USD 5.2 billion during 2019-20 (up to March 25) as against USD 6.6 billion a year ago. India's foreign exchange reserves surged $3.43 billion to an all-time high of $493.48 billion for the week ended May 29, 2020 on the back of strong inflow of funds by foreign portfolio investors. In May alone, forex reserves jumped by a sharp $12.4 billion.

The Indian Rupee came under intensified and sustained depreciation pressures beginning mid-January, reflecting a generalised weakening of emerging market currencies amidst flights to safety.

The novel Corona virus outbreak originated in Wuhan province of China. The World Health Organization (WHO) declared novel Corona virus as pandemic on 11th March,2020. In anticipation of lower global demand following the outbreak of the COVID-19 pandemic ('pandemic), and its rapid geographical spread, the Brent crude oil prices crashed to USD 32 per barrel on March 9, 2020, plunged to

US$ 25 per barrel on March 18, 2020 and fell further to US$ 23 on March 30, 2020. Financial markets across the world experienced extreme volatility since January 2020 on account of outbreak of the pandemic. The global equity markets and commodity prices also fell sharply since January, 2020.

The pandemic has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. In many countries., Including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. On March 24, 2020, the Indian government announced 21 day lockdown which was further extended by 19 days and 14 days across the country to contain the spread of virus. The nationwide lock down had lasted for 68 days till 31st May, 2020. The top 6 industrialised states that account for about 60 per cent of industrial output were largely in red or orange zones. The pandemic led to collapse of demand across both urban and rural areas from March 2020. The biggest blow from the pandemic has been to private consumption, which accounts for about 60 per cent of domestic demand. In the production sectors, industrial production shrank by close to 17 per cent with manufacturing activity down by 21 per cent in March 2020. The output of core industries, which constitutes about 40 per cent of overall industrial production, contracted by 6.5 per cent. The production of consumer durables fell by 33 per cent in March 2020, accompanied by a 16 per cent decline in the output of non-durables. Similar indications are reflected in surveys of the fast moving consumer goods space. The spread of pandemic led to massive sell offs by FPIs in the Indian Equity market.

The nationwide lockdown paralysed economic and social activities and resulted into severe blow to economy. In order to strike the balance between the economic priority and to save the country from recession and large scale unemployment, the government of India took decision to progressively unwind the lockdown (Unlocking-1) with effective from June 1, 2020. The state governments are empowering to decide the scope and extent of Unlocking in a phased manner depending upon severity of the spread of the pandemic at zones classified as red, orange and green zones. No relaxation/exemptions have been given in Containment areas.

Aatma Nirbhar Bharat (Self-Reliant India)

The Indian Government, the Reserve Bank of India and other regulators have announced various measures and relaxations acknowledging the pandemic led situation to ensure that there is enough liquidity in the hands of market participants and provided moratoriums to the borrowers in terms of their repayments to the financial institutions.

The Hon'ble Finance Minister highlighted the government's vision and though to build 'Atma Nirbhar Bharat (Self-Reliant India) to spur growth in this tough time. FM announced 14 different measures including 6 for MSMEs and 2 for NBFCs. Following measures were announced for the benefit of non-banking financial companies (NBFCs), housing finance companies (HFCs) and mutual funds (MFs):

(i)The government proposed to launch Rs 30,000 crore special liquidity scheme where the government will buy investment-grade debt papers of NBFCs, HFCs, and MFIs. These securities will be fully guaranteed by the Government. These NBFCs, which do not have high quality debt papers, can now support the MSMEs dependent on them. (ii)The government proposed Rs 45,000 crore liquidity infusion through a partial guarantee scheme which will cover commercial papers and borrowings. The first 20 percent loss will be borne by Government. Double AA-rated paper and unrated papers will all be eligible.

The Tax measures announced by the Hon'ble Finance Minister include reduction in TDS and TCS rated by 25% of the existing rates aimed at releasing liquidity of Rs. 50,000 crore.

Due to pandemic the government had laid focus on relief measures including capacity built up of medical facilities to face pandemic, control its spread and saving human life, free distribution of food grains and cereals for two months for pandemic affected people, free railway travel of migrated workers.

The Budget 2000 provided a planned investment up to Rs. 2.83 lakh crore for rural economy and Rs. 1.7 lakh crore for infrastructure development. The pace of highway construction had increased from 12 km/day to 27 km/day. The Budget also abolished dividend distribution tax. In September 2019, the government announced reduction of corporate taxes.

RBI measures to face challenges of the pandemic

The RBI has announced the following relief measures to ease the stress on the financial condition of the market due to the pandemic :

- Repo rate was reduced by 75 basis points to 4.4%, from the earlier rate of 5.15%.RBI further reduced the Repo Rate to 4% on May 22, 2020;
- The reverse repo rate has been reduced by 90 basis points to 4%. RBI further reduced the reverse repo rate to 3.75% on April 17, 2020 and to 3.35% on May 22, 2020.

RBI maintained the accommodative stance of monetary policy as long as necessary to revive growth, mitigate the impact of the pandemic, while ensuring that inflation remains within the target.

The RBI announced various relaxations including (a) deferment of interest for 3 months on working capital facilities; (b) easing of working capital financing requirements by reducing margins or reassessment of working capital cycle; (c) exemption from being classified as 'defaulter' in supervisory reporting and reporting to credit information companies; (d) extension of resolution timelines for stressed assets; and (e) the group exposure limit of banks is being increased from

25 per cent to 30 per cent of eligible capital base, for enabling corporates to meet their funding requirements from banks. The increased limit will be applicable up to June 30, 2021.

(f) directed the banks and NBFCs to offer to its borrower a Moratorium of three months form 1st March,2020 to May 31,2020 for repayment of loans. Subsequently, the Moratorium period was extended up to 31st August, 2020 in view of extension of the lock down. Accordingly, the repayment schedule of the Term loans as also the residual tenor of the Term Loans have been shifted across the board by another three months after the moratorium period. The interest rate charged during the Moratorium period will be the contracted rate at which loan agreements were entered into with the borrowers. The Interest charged during the moratorium period will be collected after the revised last instalment due date based on the moratorium granted by the company. Such Interest amounts would be collected in instalments and the instalment amount will be equivalent to the current instalment amount and the last instalment will be adjusted to arrive at the present contracted rate of such loan agreements. In case of revolving working capital credit facilities in the form of Floating Business Loans, Vehicle trade advance loans to dealers and working capital loans to borrowers (fuel, toll loans etc.), the borrowers will be allowed deferment of another three months on payment of interest in respect of such facilities during the period June 1, 2020 and August 31, 2020. The accumulated interest for the period March 1,2020 to August 31, 2020 will be converted into a funded interest term loan and the said funded term loan on account of accumulated interest will be repayable by March 31,2021.

As of May 31, 2020, the Company had offered Moratorium to 94% of its borrowers. The Company communicated the information regarding the Moratorium to the borrowers through digital or electronic modes. It was noticed that in April, 2020, 23% borrowers repaid the loan instalments in part/full to save additional interest chargeable on account of moratorium. This number was increased to 48%in the month of May, 2020.

This measure shall not result in asset classification downgrade. The asset classification of term loans which are granted relief shall be determined on the basis of revised due dates and the revised repayment schedule. Similarly, working capital facilities where relief is provided, the Special mention accounts (SMA) and the out of order status shall be evaluated considering the application of accumulated interest immediately after the completion of the deferment period as well as the revised terms.

The Company has securitised/assigned its loan receivables to SPVs/Banks/institutions and the company has been appointed as servicer for collection of instalments from the borrowers and remittance of the same to SPVs/Banks/ Institutions. The Company had sought moratorium from the trusts/banks/institutions for the instalments due between March 1, 2020 and May 31, 2020 for securitised/assigned receivable and most of the trusts/banks/institutions have agreed for providing moratorium. The company will further seek consent from these Trusts/Banks/institutions for granting moratorium for the instalments falling due between June 1, 2020 and August 31, 2020 from the concerned borrowers involved in these transactions.

The Company has made provision of Rs.909.64 crore in the account for the FY 2019-20 for the pandemic led losses.

RBI took measures to augment systemic liquidity, tightened asset and liability management framework, eased flow of funds by relaxing external commercial borrowings (ECB) guidelines and strengthened governance and risk-management structures.

FINANCIAL SERVICES SECTOR

India's financial services sector comprises of commercial banks/co-operative banks, non-banking financial companies, insurance companies, pension / mutual funds and other various entities. India is expected to be fourth largest private wealth market globally by 2028.

The country's financial services sector consists of the capital markets, insurance sector and non-banking financial companies (NBFCs). India's gross national savings (GDS) as a percentage of Gross Domestic Product (GDP) stood at 30.50 per cent in 2019.

NBFC Sector

NBFC sector plays important role in financial inclusion by meeting credit needs of retail and MSME sector. The AFCs, LCs and ICs were merged into new category called 'Investment and Credit Company (NBFC-ICC). As per RBI regulations, NBFCs with minimum Net Owned Funds of Rs. 200 lakhs are allowed to operate. This resulted into reduction in number of NBFCs from 9,856 at the end of March,2019 to 9,642 NBFCs at the end of September,2019. There are 69 deposit accepting NBFC.

The credit delivery of NBFC sector constituted 18 per cent in the overall composition of total credit. It provides efficient credit distribution reach to untapped and under-penetrated regions and customer class. The primary activities of NBFCs are providing consumer credit, including automobile finance, home finance and consumer durable products finance, wholesale finance products such as bills discounting for small and medium companies and infrastructure finance, and fee based services such as investment banking and underwriting. NBFCs have carved niche business areas for them within the financial sector space and are also popular for providing customized products. For instance, your Company providing finance for re-possessed vehicles at the doorstep of the customer. NBFCs bring the much needed diversity to the financial sector.

Although the NBFC sector grew in size from Rs. 26.2 lakh crore in 2017-18 to Rs. 30.9 lakh crore in 2018-19, the pace of expansion was lower than in 2017-18 mainly due to rating

downgrades and liquidity stress in a few large NBFCs in the aftermath of the a large NBFC committing default interest payment and loan repayment obligation to banks and security holders. This slowdown was witnessed mainly in the NBFCs-ND-SI category, whereas, NBFCs- D broadly maintained their pace of growth. However, in 2019-20 (up to September) growth in balance-sheet size of NBFCs-ND-SI as well as NBFCs-D moderated due to a sharp deceleration in credit growth.

Credit extended by NBFCs continued to grow in 2018-19. Industry is the largest recipient of credit provided by the NBFC sector, followed by retail loans and services. Credit to industry and services was subdued in relation to the previous year. However, growth in retail loans continued its momentum.

Over 40 per cent of the retail portfolio of NBFCs are vehicle and auto loans. The slowdown in auto loans in 2018-19 could be attributed to a slump in aggregate demand, exacerbated by postponement of vehicle purchases in anticipation of the implementation of BS-VI norms, the sharp increase in insurance costs in case of passenger vehicles and two wheelers, and sizeable enhancement in permissible axle load for commercial vehicles. In the consumer durables segment, a decline in credit extended was observed, reflecting muted consumer demand.

NBFCs are generally well capitalised, with the system level capital to risk-weighted assets ratio (CRAR) remaining well above the stipulated norm of 15 per cent, including in 2018-19 when they experienced an increase in non-performing assets. At the end of September 2019, the sector maintained the capital position although there was a deterioration in asset quality.

The CRAR for all categories of NBFCs-ND-SI except NBFCs-MFI and IDF-NBFCs, decreased from 2017-18 levels, but it remained above the regulatory norm. For NBFCs-MFI, the CRAR improved with rising profitability. The CRAR for NBFCs-D registered a marginal improvement as growth in own funds outpaced expansion in loans and advances. At end- September 2019, CRAR of NBFCs-ND-SI and NBFCs-D remained above the stipulated norm despite divergent trends.

The default by one large NBFC has shaken the market confidence and created ripple effect over the entire NBFC sector. The crisis faced by a large prominent financial institution of the country in September led to drying-up bank lending, thereby forcing NBFCs to scout for alternate sources of funding.

In February 2019, Reserve Bank of India (RBI) had eased risk weight norms to increase credit flow to NBFCs.

The banks are now required to assign differential risk-weights to their exposures to NBFCs based on ratings assigned by credit rating agencies, as against the existing practice of a uniform risk weight of 100%.

The move is aimed at not only freeing up capital for banks for further lending but also slash borrowing costs for well-rated NBFCs, which have been grappling with a systemic liquidity crisis triggered by a series of defaults by a large prominent financial institution and its subsidiaries.

Highlights of Budget impacting NBFCs

Reduced asset size of NBFCs from Rs. 500 crore to Rs. 100 crore to become eligible for debt recovery under SARFAESI Act

NBFCs can pursue loan recovery under SARFAESI Act for loans starting at Rs. 50 lakhs which was earlier Rs. 100 lakhs.

This will help NBFCs check rise of non-performing assets ratio of NBFCs and strengthen recovery process.

Sovereign Credit Guarantee for stressed assets to help improve liquidity crunch in the system and boost credit growth, improvement in asset quality and CRAR of NBFCs.

Invoice Financing by NBFCs is expected to help MSME sector to access to credit sand working capital. This is providing new source of business to NBFCs.

FINANCIAL AND OPERATIONAL PERFORMANCE (AS PER IND AS)

(Rs. in Crores)

Sr. No.	Particulars	2019-20	2018-19
1	Total Income	16,582.63	15,556.66
2	Net Interest Income	7,916.77	7,762.04
3	Capital Adequacy Ratio	21.99%	20.27%
4	Assets Under Management	109,749.24	104,482.29
5	Securitization done during the year	16,581.13	15,123.06

During the F.Y. 2019-20,the Stage 3 Assets was 8.36% in F.Y. 2019-20 as compared to 8.37% in F.Y. 2018-19. The Stage 3 Assets net of Stage 3 Provision was 5.62 % in F.Y. 2019-20 as compared to 5.65 % in F.Y. 2018-19. There are no significant changes in key financial ratios of the Company for F.Y. 2019-20 as compared to F.Y. 2018-19. The return on equity was 14.71% as on March 31, 2020 as against 17.52 % as on March 31, 2019 due to additional expected credit loss provision of Rs 909.64 crores on account of COVID-19 impact in the financial statement.

COMMERCIAL AND PASSENGER VEHICLE INDUSTRY

The automobile industry produced a total 1,447,345 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycle in March 2020, as against 2,180,203 in March 2019 with a degrowth of (-) 33.61%. The Passenger Vehicles sales was 143,014 units in March 2020, compared to 291,861 units in March 2019 marking a decrease by (-) 51%. The Commercial Vehicles sales was 13,027 units in March 2020 compared to 109,022 units in March 2019 marking a decrease by (-)88.05%. The Three-wheeler sales was 27,608 units in March 2020 compared to 66,274 units in March 2019 marking a decrease by (-) 58.34%. The Two-wheeler sales was 866,849 units in March 2020, compared to 1,440,593 units in March 2019 marking a decrease by (-) 39.83%.

The industry produced a total 26,362,284 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycle in April-March 2020 as against 30,914,874 in April-March 2019 with a decline of (-)14.73%.

The Passenger Vehicles sales was 2,775,679 units in April-March 2020, compared to 3,377,389 units in April-March 2019, down by (-)17.82%. The Commercial Vehicles sales was 717,688 units in April-March 2020 compared to 1,007,311 units in April- March 2019, down by (-) 28.75%. The Three-wheeler sales was 636,569 units in April-March 2020 compared to 701,005 units in April-March 2019, down by (-) 9.19%. The Two-wheeler sales was 17,417,616 units in April-March 2020, compared to 21,179,847 units in April-March 2019, down by (-) 17.76%.

The Automobile industry witnessed one of its sharpest decline in domestic sales in March 2020 due to subdued demand and consumer sentiments which was further aggravated by the pandemic in the country.

PRE-OWNED COMMERCIAL VEHICLES

The impact of pandemic along with upcoming environmental and safety regulations (e.g. BS6), is likely to dampen the demand for new vehicles. An increasing number of buyers might choose to defer their new vehicle purchase or shift towards buying pre-owned vehicles. The pre-owned commercial vehicles segment has been the focus area for the Company ever since its inception. The pre-owned commercial vehicles are affordable to aspiring owner-cum-drivers who are small road transport operators with limited banking habits and credit history for verification of creditworthiness. The pre-owned commercial vehicles financing industry in India is dominated by private financiers in the unorganized sector. The Company intends to continue to strategically expand our marketing and customer network by entering into partnerships and co-financing arrangements with private financiers across India involved in commercial vehicle financing. As the market for commercial vehicle financing, especially pre-owned commercial vehicle financing, is fragmented, the Company believe our credit evaluation techniques, relationship-based approach, extensive branch network and strong valuation skills make our business model unique and sustainable as compared to other financiers. The Company believes that our business model is easily scalable at local levels throughout India. The Company has an established track record of developing and training recruits on our internally developed valuation techniques, substantial customer knowledge and relationship culture the Company have developed over the past four decades. The Company believes this is a key strength which enables us to provide finance to pre-owned commercial vehicle operators at favourable interest rates and repayment terms as compared to private financiers in the unorganised sector. The Company has been engaged in the initiative to corporatize the pre-owned CV financing business. We have established its leadership in the segment and created sustainable competitive advantage through deep understanding of the borrower profile and their credit behavior.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company believes that strong internal control system and processes play a critical role in the health of the Company. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these processes and systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines which ensure reliability of financial and all other records. The Internal Audit reports are periodically reviewed by the Audit Committee. The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively. The Company's Internal Auditor performed regular reviews of business processes to assess the effectiveness of internal controls. Internal Audits were carried out to review the adequacy of the internal control systems, compliance with policies and procedures.

HUMAN RESOURCES

The HR department turned the 'Lockdown' into a new opportunity promoting culture for using new methods of efficient working, striking work-life balance, switching to Work From Home (WFH), Employee Training through company's e-learning platform "Mycoach" and video based learnings were given prime importance and total of 24738 employees were trained and assessed on their learnings. During the lockdown HR Department with the help of the regional teams had engaged with the employees telephonically on various safety measures to be followed, learning options available with the company and on customer engagement. Total of 16,402 employees were covered during the lockdown. The employees, in particular working in metro cities, who

spend average 3 hours on commuting, spent same time on discharging their official duties. The 'Lockdown' gave many new learnings, ideas and experience with respect to effective communication techniques, efficient time management, thereby improving overall efficiency, cost optimization. The importance of focusing on digital payment and use of advanced techniques for customer services, effective use of Video conferencing meetings with employees, directors was also highlighted and understood during 'Lockdown' period. The Company's field employees used Mobile Application 'MNOVA' and educated the customers to use 'My Shriram' Mobile Application for availing of various services in respect of the Company's financial products. The Company is ensuring the health and well-being of employees during the pandemic and creating awareness amongst employees to strictly follow the 'Social Distancing'. Due to many of its advantages, the HR department is exploring the possibilities to progressively switching in a phased manner using the best combination of work from place and WFH for cost optimization, increasing overall efficiency and mitigating the associated risks of data safety and protection.

There was a net addition of 1,415 employees during the year 2019-20 and total strength of employees as on March 31, 2020 was 28,045. The average age of the employees is about 29 years. For further details please refer to the Business Responsibility Report.

SWOT ANALYSIS

Strengths

- Pioneer in the pre-owned commercial vehicles financing sector
- Asset Financing Company in India with Pan-India presence with 1,758 branch offices.
- Unique relationship-based business model with extensive experience and expertise in credit appraisal and collection process
- Strong brand name
- A well-defined and scalable organizational structure based on product, territory and process knowledge
- Consistent financial track record with rapid growth in AUMs
- Experienced senior management team
- Strong relationships with public, private as well as foreign banks, institutions and investors,
- 2.12 million customers across India

Weakness

- Business and growth directly linked with the GDP growth of the country
- Company's Customers-SRTOs and FTUs are more vulnerable to negative effects of economic downturn

Opportunities

- Growth in the commercial vehicles, passenger vehicles and tractors market
- Meeting working capital needs of persons in commercial vehicles eco-system
- Partnerships with private financiers for enhancement of reach without significant investments
- Penetration into rural markets for financing cargo light commercial vehicles
- On boarding customers on technology platform
- Higher budgetary allocation by the Government to give boost to infrastructure sector involving construction of roads, new airports, ports etc. creating huge demand for Commercial Vehicle
- Cross selling of insurance products, invoice discounting etc.

Threats

- Competition from captive finance companies, small banks and FinTechs
- Ad-hoc policies on phasing out of older vehicles
- Inadequate availability of bank finance and upsurge in borrowing cost
- External risks associated with liquidity stress, political uncertainties, fiscal slippage concerns, etc.

RISK MANAGEMENT

The Company is exposed to variety of risks such as credit risk, economy risk, interest rate risk, liquidity risk and cash management risk, technology risks etc. The Company has Enterprise Risk Management Framework which involves risk identification, risk assessment and risk mitigation planning for the Company. The pandemic risk was unprecedented and caused many disruptions and uncertainties globally. The Company swiftly activated the Business Continuity Plan to face challenges of pandemic. The BCP is reviewed periodically.

The Board of Directors has constituted a Risk Management Committee consisting majority of Directors. The terms of reference of the Risk Management Committee include periodical review of the risk management policy, risk management plan, implementing and monitoring of the risk management plan and mitigation of the key risks. The Risk owners are accountable to the Risk Committee for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective areas/ functions. We have taken Directors and Officers insurance policy cover to mitigate legal risks to directors and senior management.

The Company taken steps to mitigate the operations risk by use of Artificial Intelligence and Machine Learning for automated lending, customer centric approach, upskilling and re-skilling of its manpower. Our expertise in credit appraisal and collections developed over the past three decades helps mitigating credit risk. We lend on relationship based model applying advanced credit assessment procedures and maintain regular contact with customers. In order to mitigate operation risk we continuously monitor our internal processes and systems.

In order to mitigate liquidity risk, we ensure that the short term and long-term fund resources are favourably matched with deployment. We resort to long-term funding instruments and securitization. We continue to enjoy the trust and support from our investors, security holders, depositors, banks and financial institutions, due to our impeccable record in servicing its debt obligations on time.

In order to mitigate interest rate risk, we have developed innovative resource mobilization techniques. In order to mitigate liquidity risks we have diversified the source of fund raising and widened the borrowing options to exploit opportunities and appetite in the international market for bonds of reputed Indian companies. We issued U.S. Dollar senior secured notes in the international market, which are fully hedged. We have adopted prudent fund management practices.

The Company's Asset Liability Management Committee regularly reviews, among others, the interest rate and liquidity risks.

We are diversifying our assets portfolio focusing on passenger vehicles and tractors segment. We have also started financing the working capital needs of petrol pumps, tyre dealers, vehicle body builders and workshops forming part of ecosystem of commercial vehicle operations.

In order to mitigate cash management risk associated with collection of loan instalments, we have initiated steps to on boarding our customers on technology platform. Historically, substantial part of our loan recovery was in the form of cash due to peculiar profile and business pattern of our customers. We have effectively used the Digital mode during the initial lock down period and cash component of the collections has significantly dropped during last couple of months. Our loan instalment collection process is efficient and secured through a robust cash management network. We have been making continuous efforts to achieve efficient cash/cheque collection systems by availing Cash Management Service from private and public sector banks. It is not necessary for our customer to visit our branches to deposit the cash/cheque for making payment of loan instalment. The Customers can visit any of our tie-up banks and deposit money into our account against their Loan accounts.

We ensure that cash collected from our customers by the Field staff is deposited into the Company's Account on same/ next day . We have tied with Post office in few states for as a part of efficient cash management. We are also working with Fino Money, Airtel. Our Field staff is enabled with MNOVA Mobile Application in which the collections can be accounted. Some of our branches are also equipped with Cash Deposit Machines for the customers. We are educating and encouraging our customers to adopt advanced methods of payment . We have started engaging with the customers actively with Digital mode of collections using our MyShriram Mobile Application. We have enabled various modes including BBPS (Wallets) through which the customer can make the payment against his/her Loan accounts. We have also collected NACH mandates from some of the customers. The NACH mandates are sent to the Bank on respective due dates with an intimation to the customers. We have adopted stringent checks and internal controls across all branches. At the regional level, the branch collections are monitored and reconciled on a daily basis.

FUTURE STRATEGY

The Board has determined the following medium-term and long term strategies to achieve its corporate goals over a period of next 3-5 years:

- Periodical review of Business Continuity plan, liquidity management.
- To focus on digital initiatives to effectively service customers and to educate customers on the digital payment of EMIs.
- Effective use and implementation of data analytics in the process of loan disbursement and loan recovery
- Further strengthening the leadership position in financing vehicles
- Further enhancing quality of loan portfolio
- Maintaining customer loyalty through winning relationship and customer satisfaction.
- Promoting Work From Home, innovative method of working culture, employee up-skilling and re-skilling.

OUTLOOK

The damage to the global economic activity caused by the pandemic is estimated to be severe than the financial crises of the year 2008–09. With massive dislocations in global production, supply chains, trade and tourism, the global economy is projected to contract sharply (minus 3 per cent) in 2020. There is a rising probability that large parts of the global economy will slip into recession. The depth of the recession and the pace of recovery in 2021 would depend on the speed of containment of the pandemic and the efficacy of monetary

and fiscal policy actions by various countries. If the pandemic is prolonged and supply chain disruptions get accentuated, the global slowdown could deepen, with adverse implications for India.

Considerable worsening of key demand indicators are seen in the outlook for Q1 of 2020-21. Apart from the continuing resilience of agriculture and allied activities, most other sectors of the Indian economy will be adversely impacted by the pandemic. From the data published by the government on the COVID-19 infections, patient recovery, spread and deaths, perhaps, the spread and death toll of the pandemic in India would not be as severe as USA and European nations.

On June 01, 2020, Moody's Investors Service (Moody's) downgraded the Government of India's foreign-currency and local-currency long-term issuer ratings to Baa3 from Baa2. Moody's has also downgraded India's local-currency senior unsecured rating to Baa3 from Baa2, and its short-term local currency rating to P-3 from P-2.

However, a ray of hope comes from the forecast of a normal southwest monsoon in 2020 by the India Meteorological Department (IMD). According to the initial monsoon forecast of IMD, Southwest monsoon seasonal rainfall over the country as a whole is likely to be normal (96-104%). India is expected to get normal monsoon rains in the year 2020. Kharif sowing is higher by 44 per cent over last year's acreage. The good performance of agriculture sector and allied activities will support farm incomes, improve the terms of trade facing the farm sector and strengthen food security for the country.

To mitigate the economic difficulties arising out of the virus outbreak, the Government of India has announced a comprehensive package of Rs.1.70 lakh crore, covering cash transfers and food security, for vulnerable sections of society, including farmers, migrant workers, urban and rural poor, differently abled persons and women.

Significant monetary and liquidity measures taken by RBI and fiscal measures by government should mitigate adverse impact on domestic demand and help spur economic activity once normalcy is restored. It is expected that the combination of fiscal, monetary and administrative measures being currently undertaken by the government of India would create conditions for a gradual revival in activity in the second half of 2020-21. Nonetheless, downside risks to this assessment are significant and contingent upon the containment of the pandemic success of Unlocking of the Social and Economic restrictions being done in a phased manner. Given all these uncertainties, GDP growth in 2020-21 is estimated to remain in negative territory.

The Reserve Bank of India expects that the credit growth is likely to remain modest, reflecting weak demand and risk aversion. Going forward, liquidity conditions would be managed under the revised liquidity management framework, consistent with the accommodative stance of monetary policy as long as necessary to revive growth and mitigate the impact of the pandemic, while ensuring that inflation remains within the target. Better transmission of monetary policy impulses to the credit market would remain a priority of RBI.

The Company will continue focusing on financing of pre-owned commercial and passenger vehicles, further strengthening its presence, reach and penetration into rural and urban centres through large network of branches and rural centres. The Company's business model offers multiple financing opportunities. The Company will explore various options to strengthen its capital base and balance sheet to augment the long term resources for meeting funding requirements of its business activities, financing the future growth opportunities, general corporate purposes and other purposes including effectively facing challenges of the uncertainties and disruptions caused by COVID-19 pandemic.

Our Company continues to have faith in India's resilience and capacity to overcome all odds.

CAUTIONARY STATEMENT

This report contains forward-looking statements extracted from reports of Government Authorities / Bodies, Industry Associations etc. available on the public domain which may involve risks and uncertainties including, but not limited to, economic conditions, government policies, dependence on certain businesses and other factors. Actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto. The Company does not undertake to update these statements.

Directors' Report

To the Members,

Your Directors have pleasure in presenting their Forty-First Annual Report and the Audited Statements of Accounts for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

(Rs. in crores)

Particulars	2019-20	2018-19
Profit Before Depreciation And Taxation	3,579.72	3,821.24
Less: Depreciation, amortization and impairment	141.05	42.97
Profit Before Tax	**3,438.67**	**3,778.27**
Less: Provision for taxation	936.83	1,214.28
Profit After Tax	**2,501.84**	**2,563.99**
Add: Balance brought forward from previous year	8,070.47	6,829.82
Balance available for appropriation	10,572.31	9,393.81
Appropriations		
General reserve	250.19	257.00
Statutory reserve	500.38	514.00
Debenture redemption reserve	235.79	251.47
Dividend on equity shares of Rs.10/- each	272.26	249.57
Tax on dividend	55.96	51.30
Balance carried to Balance Sheet	**9,257.73**	**8,070.47**

NOVEL CORONA VIRUS PANDEMIC

On 11th March, 2020, the World health Organization (WHO) declared the novel Corona virus as pandemic. The Company swiftly activated the Business Continuity Plan (BCP) to take effective measures to face disruptions due to the outbreak of novel Corona virus pandemic in India. As per the assessment of a Credit Rating Agency, the pandemic has created increasing macro-economic challenges and disruptions on the business activities of NBFCs leading to operational constraints. In the last week of March,2020The Credit Rating Agency downgraded the ratings of some listed NBFCs and some instruments issued by the NBFCs including our Company. This was followed by other Rating Agencies revising the credit rating to negative outlook and rating watch negative. The credit rating position of the Company as on date is as follows:

Credit Rating Agency	Instrument	Ratings
CRISIL	Bank Loan Long Term	CRISIL AA+/Negative
	Bank Loan Short Term	CRISIL A1+
	Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AA+r/Negative
	Non-Convertible Debentures	CRISIL AA+/ Negative
	Subordinated Debt	CRISIL AA+/Negative
	Short Term Debt	CRISIL A1+
	Fixed Deposit	CRISIL FAAA/Negative
India Ratings & Research Private Limited	Non-Convertible Debentures	IND AA+/ Rating Watch Negative (RWN)
	Subordinated Debt	IND AA+/RWN
	Commercial Paper	IND A1+
CARE	Non-Convertible Debentures	CARE AA+/Stable
	Subordinated Debt	CARE AA+/Stable
	Commercial Paper	CARE A1+
ICRA	Fixed Deposit	MAA+ with Stable
Standard & Poor's Ratings	Long-Term Issuer Credit Rating	BB/ Negative Outlook
	Short-Term Issuer Credit Rating	B
	Senior Secured Notes	BB
Fitch Ratings	Long-Term Issuer Default Rating	BB Rating Watch Negative
	Short-Term Issuer Default Rating	B
	Senior unsecured Long Term Rating	BB Rating Watch Negative
	Senior secured Long Term Rating	BB Rating Watch Negative
	Local Currency Long Term Issuer Default Rating	BB Rating Watch Negative

The detailed discussion in this regard is covered under the Management and Discussions Report forming part of this report.

DIVIDEND

Your Directors at their meeting held on October 24, 2019 declared interim dividend of Rs. 5/- per equity share (i.e. 50%) for the financial year 2019-20. The interim dividend was paid on November 19, 2019 and involved a cash outflow of Rs. 136.76 crores including tax on dividend. In order to conserve cash resources to face the challenges and the contingencies created by Corona virus pandemic, the Board of Directors have not recommended the final dividend. As such, the interim dividend shall be the final dividend for the financial year 2019-20.

The Dividend Distribution Policy forms part of the Corporate Governance Report and is also available on the website of the Company at **https://bit.ly/2WzNefE**

TRANSFER TO RESERVES

The amounts proposed to be transferred to General Reserve, Statutory Reserve and Debenture Redemption Reserve are mentioned in the Financial Highlights under the heading 'Appropriations'.

CAPITAL ADEQUACY RATIO

Your Company's total Capital Adequacy Ratio (CAR), as of March 31, 2020, stood at 21.99% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is above the regulatory minimum of 15%.

OPERATIONS AND COMPANY'S PERFORMANCE

For the financial year ended March 31, 2020, your Company earned Profit Before Tax of Rs.3,438.67 crores as against Rs.3,778.27 crores in the previous financial year and the Profit After Tax of Rs.2,501.84 crores as against Rs.2,563.99 crores in the previous financial year. The total income for the year under consideration was Rs.16,582.63 crores and total expenditure was Rs.13,143.96 crores.

Mobilization of funds from following sources/instruments was as under:

(Rs. in crores)

Sr. No.	Particulars	2019-20	2018-19
1	Non-Convertible Debentures – Institution	2,960.30	915.00
2	Subordinated Debts – Institutional	-	2,360.00
3	Term Loans from Banks – Secured	19,121.64	13,507.30
4	Term Loans from Financial Institutions/ corporates – Secured	-	1,569.00
5	Commercial Papers	4,130.00	24,820.00
6	Fixed Deposit	4,226.21	4,956.10
7	Inter Corporate Deposits	207.40	50.00
8	Non-Convertible Debentures Institution- Unsecured	-	500.00
9	Non-Convertible Debentures Public Issue- Secured	533.61	4,792.63
10	External Commercial Borrowings (Loan)	1,636.10	2,402.33
11	U.S. Dollar Senior Secured Notes	5,202.13	2,849.90
12	Social Bonds (U.S. Dollar Senior Secured Notes)	3,542.50	-
13	Cash Credit	784.00	-

The total Assets Under Management had increased to Rs.109,749.24 crores from Rs.104,482.29 crores. During 2019-20, the Company securitized its assets worth Rs. 16,581.13 crores (accounting for 15.11 % of the total assets under management as on March 31, 2020) as against Rs. 15,123.06 crores during 2018-19. With securitisation, the Company ensures better borrowing profile, leading to lower interest liability owing to its lending to priority sector as per RBI. The outstanding direct assigned portfolio stood at Rs. 1,247.53 crores as on March 31, 2020.

The Company continued its focus on financing of pre-owned commercial vehicles. The relationship based business model enabled us to maintain the leadership position in the pre-owned commercial vehicles financing segment. For further market penetration, the Company opened 213 new Branches and other offices. With this the total number of Branch and other offices across India has now increased to 1,758.

ISSUE OF SECURITIES

Share Capital

The paid up Equity Share Capital of the Company stood at Rs.226.88 crores consisting of 226,882,736 fully paid-up shares of face value of Rs.10/- each as on March 31, 2020. It is recalled that the shareholders in the 40th Annual General Meeting held on June 27, 2019 approved cancellation of the 48,000 forfeited shares in respect of which the allotment money was not paid by some of the shareholders. Accordingly, the said 48,000 shares stood diminished from the issued and subscribed share capital of the Company and Rs.2,40,000/- paid towards application money in respect of the forfeited shares was transferred from the forfeited shares account to capital reserve as per the applicable Indian accounting standards and provisions of the Companies Act, 2013.

Public Issue of Non-convertible Debentures

During the year under review, the Company through Shelf Prospectus dated July 09, 2019 offered 10,00,00,000 Secured Redeemable Non-Convertible Debentures (NCDs) of face value of Rs. 1,000 each to the Public for an amount aggregating up to Rs.10,000 crores pursuant to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended.

The Company under the Shelf Prospectus and two Tranche Prospectuses issued and allotted 5,336,070 NCDs aggregating to Rs.533.61 crores. The fund utilization was as per the objects of the Public Issue of NCDs. The said NCDs are listed on the National Stock Exchange of India Limited and BSE Limited.

Issue of U.S. Dollar Senior Secured Notes/ Social Bonds

On April 24, 2019, the Company issued 5.950 percent Senior Secured Notes due 2022 aggregating to USD 500 Million to the Qualified Institutional Buyers (QIBs) under the Rule 144A and to the eligible investors outside United States under Regulation S of the U.S. Securities Act 1933. Further on July 17, 2019, the Company issued Senior Secured Notes aggregating to USD 250 Million to the eligible investors outside United States under Regulation S of the U.S. Securities Act 1933. These notes were issued under the USD 2 Billion Global Medium Term Note Programme (GMTN Programme).The proceeds of Senior Secured Notes have been utilized for onward lending and other activities as permitted by the ECB Directions.

Having regard to the opportunities and appetite for the bonds of the reputed Indian companies in the international market, the Company further updated and upsized from USD 2 Billion Global Medium Term Note Programme to USD 3 Billion Global Medium Term Note Programme on December 27, 2019.

Social Finance Framework for issuance of Social Bonds was set up by the Company. On January 16, 2020, the Company issued 5.100 percent Senior Secured Notes (Social Bonds) aggregating to USD 500 Million under the USD 3 Billion Global Medium Term Note Programme (GMTN Programme) to the Qualified Institutional Buyers (QIBs) under the Rule 144A of the U.S. Securities Act 1933 and to the eligible investors outside United States under Regulation S of the U.S. Securities Act 1933.The Social Bonds got overwhelming response from investors with the final order book in excess of USD 2.20 billion and oversubscription of >4x. The order book received interest and demand from marquee Social Bond Investors.

The net proceeds from the issue of Social Bonds have been utilized by the Company to finance investments in Eligible Social Projects in accordance with International Capital Market Association Social Bond Principles 2018 as permitted by the ECB Guidelines.

The said Senior Secured Notes/Social Bonds are listed on the Singapore Exchange Securities Trading Limited. All Senior Secured Notes/Social Bonds issued under the U.S.$ 3,000,000,000 GMTN Programme are fully hedged and would not involve any foreign exchange risk to the Company.

FIXED DEPOSITS

As on March 31, 2020, there were 12,116 fixed deposits aggregating to Rs.150.02 crores that have matured but remained unclaimed. There were no deposits, which were claimed but not paid by the Company. The unclaimed deposits have since reduced to 5,796 deposits amounting to Rs.56.40 crores. Appropriate steps are being taken continuously to obtain the depositors' instructions so as to ensure renewal/ repayment of the matured deposits in time.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment of Directors

The Board of Directors in its meeting held on May 08, 2019 appointed Mr. Ignatius Michael Viljoen as a director of the Company in the category of non-executive non-independent director in a casual vacancy caused by the resignation of Mr. Gerrit Lodewyk Van Heerde (DIN 06870337), non-executive non-independent director of the Company with effect from May 14, 2019.The shareholders in its 40th Annual General Meeting held on June 27, 2019 passed necessary resolution for his appointment as a Director in the category of non-executive non-independent director.

Retirement of director by rotation

Mr. Puneet Bhatia (DIN 00143973), non-executive non–independent director of the Company will retire by rotation at the ensuing 41st Annual General Meeting (AGM) and being eligible, offers himself for re-appointment. His re-appointment at the AGM will be in the interest of the Company. The Nomination and Remuneration Committee and the Board considered that the re-appointment of Mr. Puneet Bhatia is in the interest of the Company and have recommended his re-appointment in view of financial acumen and expertise of Mr. Puneet Bhatia.

There was no change (appointment/resignation) in the Key Managerial Personnel namely, Managing Director & CEO, the Chief Financial Officer and the Company Secretary of the Company during the financial year.

Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the

circumstances affecting their status as independent directors of the Company.

Policies on appointment of Directors and Remuneration

Your Company recognizes the importance and benefits of having the diverse Board to enhance quality of its performance and has adopted a Policy on Board Diversity formulated by the Nomination and Remuneration Committee. The Company's Remuneration Policy has laid down a framework for remuneration of Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. These Policies are available on the Company's website at the weblink: **https://bit.ly/32twQkM** and **https://bit.ly/2DQlAVb** The Nomination and Remuneration Committee also takes into account the fit and proper criteria for appointment of directors as stipulated by Reserve Bank of India. The Company has also formulated policy on Succession Planning for Directors and Key Managerial Personnel for continuity and smooth functioning of the Company.

Number of Meetings of the Board

Six Board Meetings were held during the financial year. The details of the Board and various Committee meetings are given in the Corporate Governance Report.

Performance evaluation at Board and independent directors meetings

The Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its various Committees for the financial year 2019-20. The policy on performance evaluation of the Directors, the Board and its Committees is available on the Company's website at the weblink: https://cdn.stfc.in/common/Policy_On_Performance_Evaluation.pdf The evaluation was conducted on the basis of a structured questionnaire which comprises performance criteria such as performance of duties and obligations, independence of judgement, level of engagement and participation, attendance of directors, their contribution in enhancing the Board's overall effectiveness, etc. The Board has expressed their satisfaction with the evaluation process. The observations made during the evaluation process were noted and based on the outcome of the evaluation and feedback of the Directors, the Board and the management agreed on various action points to be implemented in subsequent meetings.

The evaluation process endorsed cohesiveness amongst directors, smooth communication between the Board and the management and the openness of the management in sharing the information with the Board and placing various proposals for the Board's consideration and approval.

The independent directors met on February 03, 2020 without the presence of other directors or members of Management. All the independent directors were present at the meeting. In the meeting, the independent directors reviewed performance of Non–Independent Directors, the Board as a whole and Chairman. They assessed the quality, quantity and timelines of flow of information between the Company Management and the Board. The minutes of the independent directors was placed before the Board and the Board took note of the same.

The Independent Directors expressed satisfaction over the performance and effectiveness of the Board, individual Non-Independent Directors and the Chairman. They also expressed satisfaction with regard to the flow of information between the company management and the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, the Directors confirm that, to the best of their knowledge and belief:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) That such accounting policies as mentioned in note 6 to the financial statements have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;

c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts have been prepared on a going concern basis.

e) The Company had followed the internal financial controls laid down by the directors and that such internal financial controls are adequate and were operating effectively.

f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RBI GUIDELINES

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India from time to time.

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, Business Responsibility Report is annexed and forms part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our Company contributed Rs.5 crore to the Prime Minister's Citizen Assistance and Relief Emergency Situations Fund (PM CARES Fund). The CSR Report for the Financial Year 2019-20 is annexed to this report as **Annexure-I**. The composition of CSR Committee and the details of the ongoing CSR projects/ programs/activities are included in the CSR report/section. The CSR Policy is uploaded on the Company's website at the web link: **https://bit.ly/2CO7Qty**

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Act, the extract of the annual return in form MGT-9 is annexed as **Annexure – II**. The same is also available on the website of the company at the web link: **https://www.stfc.in/investors/annual-reports/**

DISCLOSURES AS PER THE SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

Conservation of Energy, Technical Absorption and Foreign Exchange Earnings and Outgo

The information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is as follows:

a. The Company has no activity involving conservation of energy or technology absorption.

b. The Company does not have any Foreign Exchange Earnings.

c. Outgo under Foreign Exchange – Rs. 148.09 crores.

Loans, guarantee or investments in securities

The loan made, guarantee given or security provided in the ordinary course of business by a NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such, the particulars of loans and guarantee have not been disclosed in this Report.

During the year under review the Company has invested surplus funds in various securities in the ordinary course of business. For details of the investments of the Company refer to Note 13 of the financial statements.

Contracts or Arrangements with Related Parties

All the related party transactions were entered in ordinary course of business on an arm's length basis. Hence, no disclosure in Form AOC-2 are necessary and the same does not form part of this report. For details of the transactions with related party entered in ordinary course of business on an arm's length basis refer to the Note 50 to the financial statements.

As required under the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is uploaded on the Company's website at the web link: **https://bit.ly/3jkFvMn**

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission to Independent Directors.

Risk Management

The Company's Risk Management Policy deals with identification, mitigation and management of risks across the organization. The same has been dealt with the Management Discussion and Analysis annexed to the Annual Report.

Whistle Blower Policy/ Vigil Mechanism

The Company's Whistle Blower policy provides a mechanism under which an employee/director of the Company may report unethical behaviour, suspected or actual fraud, violation of code of conduct and personnel policies of the Company. The Vigil Mechanism ensures standards of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website: **https://bit.ly/3eH0jde**

Financial summary/highlights

The details are spread over in the Annual Report as well as are provided in the beginning of this report.

Subsidiaries, joint ventures or associate companies

There were no entity(ies) which became or ceased to be subsidiaries, joint ventures or associate companies of the

Company during the financial year ended March 31, 2020. Shriram Automall India Limited (SAMIL), Associate of the Company provides fee-based facilitation services for the sale of pre-owned commercial and passenger vehicles, agricultural and construction equipment, dealer's stock of pre-owned two wheelers, etc. repossessed by banks and financing companies. SAMIL has 86 Automalls located across the Country. For the year ended March 31, 2020, SAMIL's total income from operations was Rs.187.99 crores as against Rs.164.12 crores in the previous year 2018-19 and the Net Profit of Rs.23.41 crores as against net profit of Rs.26.23 crores in the previous year 2018-19.

Internal Financial Control System

The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its systems and undertakes review of policies.

The internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews internal audit reports given along with management comments. The Audit Committee also monitors the implemented suggestions.

Composition of Audit Committee

The Audit Committee comprised of following directors namely, Mr. S. Sridhar – Chairman, Mrs. Kishori Udeshi, Mr. Pradeep Kumar Panja and Mr. Puneet Bhatia.

Others

- The material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company and the date of the Directors' report – The impact of pandemic has been dealt with in this report under separate head and also in the Management Discussion and Analysis annexed to the Annual Report.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future. For other orders, please refer to Note 49 of the financial statement containing details of the contingent liabilities.
- No equity shares were issued with differential rights as to dividend, voting or otherwise.
- No equity shares (including sweat equity shares) were issued to employees of the company, under any scheme.
- The Company has not resorted to any buy back of its equity shares during the year under review.
- There was no change in the nature of business of the Company.
- There was no fraud reported by the Auditors of the Company under the Section 143(12) of the Act to the Audit Committee.
- Your Company has constituted IT Strategy committee and the committee has approved IT Strategy policy, Cyber Security and Crisis Management Policy and documents to mitigate the Company's exposure towards IT risks. The Company is prepared to face emerging cyber threats such as Zero-day attacks, remote access threats and targeted threats and contains (i) Detection (ii) Response (iii) Recovery and (iv) Containment plan. Your Company has various security controls in place to mitigate risks and safeguard the Company against security breaches and technological lapses, including established disaster recovery centres located in different seismic zones, periodic upgrading of servers and data storage, accreditation from the International Organisation for Standardisation for your Company's information security management system. External Auditors conducted data security audits of ISO 27001 standard, Cyber Security, Vulnerability assessment and penetration testing (VAPT) on annual basis. The detailed terms of reference of the IT Strategy committee are given in the Corporate Governance Report forming part of the Annual Report.
- The Company has a policy for prevention of Sexual Harassment for Women at Workplace. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('the said Act'). During the year under review, there was one case filed under the said Act.
- Disclosure regarding details relating to deposits covered under Chapter V of the Act is not applicable since our company is a Non-Banking Financial Company regulated by Reserve Bank of India. The Company accepts deposits as per Master Direction - non-banking financial companies acceptance of public deposits (Reserve Bank) Directions, 2016.

- The Company has obtained a certificate from the statutory auditor certifying that the Company has complied with the requirements of the Regulation 9 of the Master Direction – Foreign Investment in India with regard to downstream investments.
- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings, Annual General Meetings and Dividend.
- The Company has complied with and obtained a certificate from the statutory auditor certifying that the Company has complied with the requirements of the Regulation 9 of the Master Direction – Foreign Investment in India with regard to downstream investments.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129 read with Rule 5 to the Companies (Accounts) Rules, 2014, Statement containing salient features of the financial statement of associate company (Form AOC 1) and a statement on consolidated financial position of the Company with that of the SAMIL, an associate of the Company is attached to the Annual Report. The consolidated financial statements attached to this Annual Report are prepared in compliance with the applicable Indian Accounting Standards and Listing Regulations. The annual report and the annual accounts of SAMIL and the related detailed information shall be made available to members of the Company seeking such information. The annual accounts of SAMIL are available on the website of the Company viz. https://www.stfc.in/annual-reports.aspx

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of SAMIL, are available on the website of the Company **www.stfc.in.**

PARTICULARS OF EMPLOYEES

The Company has not employed any individual except the Managing Director & CEO whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Act, read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Disclosure required as under Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **Annexure-III**.

AUDITORS

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 103523W/W100048) and M/s Pijush Gupta & Co. Chartered Accountants, Gurugram (Firm Registration No. 309015E) had been appointed as joint Auditors of the Company at the 38th AGM held on June 29, 2017 to hold office from the conclusion of the 38th AGM until the conclusion of the 43rd AGM of the Company. The Companies (Amendment) Act, 2017 has waived the requirement for ratification of the appointment of auditor by the shareholders at every Annual General Meeting with effect from May 07, 2018. Hence, the approval of the members is not being sought for the re-appointment of the joint Auditors in line with the resolution passed for their appointment at the 38th AGM held on June 29, 2017. The joint Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Auditors of the Company. They have also confirmed that they hold a valid peer review certificate as prescribed under Listing Regulations. Approval of the members is being sought for fixation of remuneration of joint Auditors of the Company for the financial year 2020-21.

The Auditors' Report to the members for the year under review does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT

Secretarial Audit Report pursuant to the provisions of Section 204 of the Companies Act, 2013 for the financial year 2019-20 issued by Mr. P. Sriram, Practicing Company Secretary (Certificate of Practice No.3310) (Membership No. FCS 4862) is annexed to this report as **Annexure-IV**. The report does not contain any qualification, reservation or adverse remark.

CORPORATE GOVERNANCE

Pursuant to Schedule V of the SEBI Regulations the following Reports/Certificates form part of the Annual Report:

- the Report on Corporate Governance;
- the Certificate duly signed by the Managing Director & CEO and Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2020 as submitted to the Board of Directors at their meeting held on June 10, 2020 ;
- the declaration by the Managing Director & CEO regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct ; and
- the Management Discussion & Analysis Report

The Auditors' Certificate on Corporate Governance is annexed to this report as **Annexure-V**

AWARDS

Your Company has been awarded by BSE Limited as Outstanding Performer on BSEBOND Platform under the Issuer category. Your Company has been actively participating in the Corporate Bond Market and has been mobilizing long term resources by issuing NCDs and getting them listed on the esteemed stock exchange.

ACKNOWLEDGEMENT

The Board of Directors would like to place on record their gratitude for the guidance and cooperation extended by Reserve Bank of India and the other regulatory authorities. The Board takes this opportunity to express their sincere appreciation for the excellent patronage received from the Banks and Financial Institutions and for the continued enthusiasm, total commitment, dedicated efforts of the executives and employees of the Company at all levels. We are also deeply grateful for the continued confidence and faith reposed on us by all the Stakeholders including Shareholders, Depositors, Debenture holders and Debt holders.

For and on behalf of the Board of Directors

S. Lakshminarayanan
Chairman
(DIN: 02808698)

New Delhi
June 10, 2020

ANNEXURE - I

REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2019-2020

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

   The object of CSR Policy of the Company is to continue to contribute towards social welfare projects focusing on providing education, vocational training, promoting health care facilities to economically weaker and underprivileged section of the Society and to do such other activities as may be permissible under Section 135 of the Companies Act, 2013('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014('the Rules').The Company's CSR policy is available on website of the company **https://bit.ly/2CO7Qty**

   The details of the CSR activities undertaken can be accessed **https://www.stfc.in/investors/annual-reports/**

2. The Composition of the CSR Committee:

Name of the Member	Category
Mr. Umesh Revankar - Chairman	Managing Director & CEO
Mr. S. Lakshminarayanan	Non Executive-Independent Director
Mrs. Kishori Udeshi	Non Executive-Independent Director
Mr. Puneet Bhatia	Non Executive-Non-Independent Director
Mr. Pradeep Kumar Panja	Non Executive-Independent Director

3. Average net profit of the company for last three financial years:- Rs. 2,641.08 crores
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 52.82 crores
5. Details of CSR spent during the financial year 2019-2020
   (a) Total amount spent in the financial year:- Rs. 53.16 crores
   (b) Amount unspent, if any:-Nil
   (c) Manner in which the amount spent during the financial year is detailed below :-

(Rs. in crores)

Sr. No	Nature of Project	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs Wise	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
1	Ongoing Project	**Education**						
	Ongoing Project	Scholarship Scheme	Education	Across India	17.00	19.88	19.88	Direct/ Implementing Agency
	Ongoing Project	Chennai Mathematical Institute	Education	Chennai	5.00	5.00	5.00	Direct
2	Ongoing Project	**Training & Skill Development**						

(Rs. in crores)

Sr. No	Nature of Project	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs Wise	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
	Ongoing Project	Drivers' training	Training and skill development	Maharashtra, Tamil Nadu, Odisha, Madyapradesh and Gujarat	10.00	5.51	5.51	Implementing Agency
3	Ongoing Project	**Preventive Health Care**						
	Ongoing Project	Mobile Medical Unit & Health Clinic	Preventive Health Care	Karnataka, Odisha, TamilNadu, Rajasthan, Maharashtra, Telangana, Andhra Pradesh, West Bengal, Bihar, Uttar Pradesh, Assam Jharkhand and Punjab.	10.00	10.81	10.81	Implementing Agency
	Ongoing Project	Blood Donation activity	Preventive Health Care	Mumbai	1.00	0.20	0.20	Implementing Agency
	Other Project	Contribution to PM Cares Fund (COVID - 19) Pandemic	Preventive Health Care	Across India	-	5.00	5.00	Direct
4	Ongoing Project	**Promotion & development of traditional arts**						
	Ongoing Project	South India Club for Art and Culture	Preservation of art,culture and heritage	New Delhi	6.00	4.00	4.00	Direct
	Other project	Promotion of art & culture	Preservation of art,culture and heritage	Mumbai and Bangalore	-	0.37	0.37	Direct
5	Other project	**Sanitation**						
	Other project	Swachh Bharat	Sanitation	Tamil Nadu	1.00	0.01	0.01	Direct
6	Other project	**Protection of flora and fauna**						
	Other project	Protection of flora and fauna	Tree plantation & Programme	Chennai	1.00	0.04	0.04	Direct
7	Other project	**Creating Awareness about health hazards,road safety etc.**						

ANNEXURE - I

(Contd.)

(Rs. in crores)

Sr. No	Nature of Project	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs Wise	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
	Other project	Truckers Welfare	Creating Awareness about health hazards,road safety etc.	Andhra Pradesh and Tamil Nadu	1.00	0.67	0.67	Implementing Agency
8	Other project	Miscellaneous expenses	Food supply,meditation & yoga sessions etc.	Maharashtra and Kerala	-	0.70	0.70	Direct
		Total			**52.00**	**52.19**	**52.19**	
		Overhead expenses			0.82	0.97	0.97	
		Grand Total			**52.82**	**53.16**	**53.16**	

*Shriram Foundation, Buddy4study,Collective Good Foundation, Terna Public Chartable Trust, Indian Red Cross Society, Piramal Swasthya Management and Research Institute were implementing agencies involved in the above projects.

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

   Not Applicable since the Company has spent Rs.53.16 crores during the financial year 2019 -2020 as against the prescribed CSR expenditure of Rs.52.82 crores as per item 4 of this report.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company :

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors
Umesh Revankar
Managing Director & CEO
(Chairman, CSR Committee)
(DIN :00141189)

Mumbai
June 10, 2020

ANNEXURE - II

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1.	**REGISTRATION AND OTHER DETAILS**	
a.	CIN	L65191TN1979PLC007874
b.	Registration Date	June 30, 1979
c.	Name of the Company	Shriram Transport Finance Company Limited
d.	Category/Sub-Category of the Company	Non-Banking Financial Company
e.	Address of the Registered office and contact details	Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu – 600004,Telephone No.: 044-24990356, Fax: 044 2499 3272
f.	Whether listed company Yes / No	Yes (BSE Limited and National Stock Exchange of India Limited)
g.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600017, Telephone No.: 044-28140801 to 28140803, Fax : 044-28142479
2.	**PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**	
	All the business activities contributing 10 % or more of the total turnover of the company	As per Attachment (I)
3.	**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**	As per Attachment(II)
4.	**SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**	
a.	Category-wise Share Holding	As per Attachment (III)
b.	Shareholding of Promoters' and Promoter Groups'	As per Attachment (IV)
c.	Change in Promoters' and Promoter Groups' Shareholding (please specify, if there is no change)	As per Attachment (V)
d.	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment (VI)
e.	Shareholding of Directors and Key Managerial Personnel	As per Attachment (VII)
5.	**INDEBTEDNESS**	
	Indebtedness of the Company including interest outstanding/ accrued but not due for payment	As per Attachment (VIII)
6.	**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**	
a.	Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment (IX)
b.	Remuneration to Other Directors	As per Attachment (X)
c.	Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD	As per Attachment (XI)
7.	**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**	As per Attachment (XII)

ANNEXURE - II
(Contd.)

ATTACHMENT (I)

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company are given below:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Finance for commercial vehicles and other loans	64920 Other credit granting	**96.38%**

ATTACHMENT (II)

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	No. of shares held (%)	Applicable section
1	Shriram Automall India Limited	Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu, India - 600004	U50100TN2010PLC074572	Associate Company	44.56%	2(6)

ATTACHMENT (III)

4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

a) Category-wise Share Holding

Category of Shareholder				No. of shares held at the beginning of the year (01/04/2019)				No. of shares held at the end of the year (31/03/2020)				% Change during the year
				Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	PROMOTERS			0	0	0	0	0	0	0	0	0
	1	Indian		0	0	0	0	0	0	0	0	0
		A	Individual/HUF	0	0	0	0	0	0	0	0	0
		B	Central Government	0	0	0	0	0	0	0	0	0
		C	State Governments	0	0	0	0	0	0	0	0	0
		D	Bodies Corporate	59,173,023	0	59,173,023	26.08	59,554,984	0	59,554,984	26.25	0.17
		E	Banks / Fis	0	0	0	0	0	0	0	0	0
		F	Any other (Specify)	0	0	0	0	0	0	0	0	0
	Sub Total A(1)			**59,173,023**	**0**	**59,173,023**	**26.08**	**59,554,984**	**0**	**59,554,984**	**26.25**	**0.17**
	2	Foreign		0	0	0	0	0	0	0	0	0
		A	NRI – Individuals	0	0	0	0	0	0	0	0	0
		B	Other – Individuals	0	0	0	0	0	0	0	0	0
		C	Bodies Corporate	0	0	0	0	0	0	0	0	0
		E	Banks / Fis	0	0	0	0	0	0	0	0	0
		E	Any other (Specify)	0	0	0	0	0	0	0	0	0
			Sub Total A(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total shareholding of Promoter (A)= (A)(1) +(A)(2)			**59,173,023**	**0**	**59,173,023**	**26.08**	**59,554,984**	**0**	**59,554,984**	**26.25**	**0.17**
B	Public Shareholding											
	1	Institutions										
		A	Mutual Funds	7,865,154	28,195	7,893,349	3.48	3,943,036	28,195	3,971,231	1.75	(1.73)
		B	Financial Institutions / Banks	931,932	210	932,142	0.41	514,773	210	514,983	0.23	(0.18)
		C	Central Government	0	0	0	0	0	0	0	0	0

Category of Shareholder				No. of shares held at the beginning of the year (01/04/2019)				No. of shares held at the end of the year (31/03/2020)				% Change during the year
				Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
		D	State Governments	0	0	0	0	0	0	0	0	0
		E	Venture capital Funds	0	0	0	0	0	0	0	0	0
		F	Insurance Companies	0	0	0	0	1,420,553	0	1,420,553	0.63	0.63
		G	FIIs	5,632	0	5,632	0.00	0	0	0	0	0
		H	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
		I	Any other (Specify) Foreign Portfolio Investor	115,573,094	0	115,573,094	50.94	146,693,422	0	146,693,422	64.66	13.72
			Alternate Investment Fund	0	0	0	0	221,650	0	221,650	0.10	0.10
	Sub Total B(1)			**124,375,812**	**28,405**	**124,404,217**	**54.83**	**152,793,434**	**28,405**	**152,821,839**	**67.36**	**12.53**
	2	**Non-Institutions**										
		A	Bodies Corporate									
		(i)	Indian	25,097,529	24,446	25,121,975	11.07	632,850	24,446	657,296	0.29	(10.78)
		(ii)	Overseas	0	0	0	0	0	0	0	0	0
		B	Individuals									
		(i)	Individual Shareholders holding Nominal Share Capital upto Rs.1 Lakh	7416065	2740742	10156807	4.48	7112982	2398083	9511065	4.19	(0.28)
		(ii)	Individual Shareholders holding Nominal Share Capital in excess of Rs.1 Lakh	2772164	23550	2795714	1.23	1543267	23550	1566817	0.69	(0.54)
		C	Any other -Clearing Members	854,344	0	854,344	0.38	979,601	0	979,601	0.43	0.05
			-Trusts	349,352	0	349,352	0.15	398,221	0	398,221	0.18	0.03
			-NRI	331,986	4,500	336,486	0.15	300,741	4,500	305,241	0.13	(0.02)
			- Limited Liability partner ship	61,831	0	61,831	0.03	44,934	0	44,934	0.02	(0.01)
			- Foreign Portfolio Investor Category 3	2,311,978	0	2,311,978	1.02	0	0	0	0	0
			- NBFC	307,909	0	307,909	0.14	110	0	110	0.00	(0.14)
			- Unclaimed Securities Suspense A/c	88,570	0	88,570	0.04	76,690	0	76,690	0.03	(0.01)
			- IEPF Authority	920,530	0	920,530	0.41	965,823	0	965,823	0.43	0.02
			- Foreign National	0	0	0	0	0	0	0	0	0
			- Association of Persons / Firms	0	0	0	0	115	0	115	0.00	0.00
	Sub Total B(2)			**40,512,258**	**2,793,238**	**43,305,496**	**19.09**	**12,055,334**	**2,450,579**	**14,505,913**	**6.39**	**(12.69)**
	Total Public Shareholding (B)= (B)(1)+(B)(2)			**164,888,070**	**2,821,643**	**167,709,713**	**73.92**	**164,848,768**	**2,478,984**	**167,327,752**	**73.75**	**(0.17)**
C	**Shares held by Custodians for GDRs and ADRs**			**0**	**0**	0	0	**0**	**0**	0	0	0
	Grand Total (A) + (B) + (C)			**224,061,093**	**2,821,643**	**226,882,736**	**100.00**	**224,403,752**	**2,478,984**	**226,882,736**	**100.00**	

Notes -

I. The Promoter Group as defined under Regulation 2(1)(t) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers Regulations, 2011, (SAST Regulations 2011): 1. Shriram Ownership Trust 2. Shriram Financial Ventures (Chennai) Pvt Limited 3 Shriram Life Insurance Company Limited 4. Shriram General Insurance Company Limited 5. Shriram Credit Company Limited 6. Shriram Asset Management Company Limited. 7. Shriram Overseas Investments Private Limited 8. Bharat Investments Pte. Limited, Singapore 9. Shriram City Union Finance Limited 10. Shriram Fortune Solutions Limited 11. Shriram Wealth Advisors Limited 12. Shriram Insight Share Brokers Limited 13. Shriram Financial Products Solutions (Chennai) Private Limited 14. Shriram Housing Finance Limited 15. Insight Commodities and Futures Private Limited 16. Shrilekha Business Consultancy Private Limited 17. Shriram Seva Sankalp Foundation 18. SGI Philippines General Insurance Co Inc. 19. Shriram Value Services Limited 20. Novac Technology Solutions Private Limited 21. Novac Digital Services Private Limited 22. Snottor Technology Services Private Limited.

II. The Persons Acting in Concert (PAC), as defined in the SAST Regulations 2011 for the purpose of Regulation 10 of SAST Regulations, 2011: (i)Sanlam Emerging Markets (Mauritius) Limited, (ii)Shriram Mutual Fund (SMF), (iii)Mr. S Krishnamurthy (Trustee of SMF), (iv) Mr. V N Shivashankar (Trustee of SMF), (v) Dr. Qudsia Gandhi (Trustee of SMF), (vi) Mr. Mani Sridhar (Trustee of SMF) and (vii) Sanlam Life Insurance Limited.

III. All the entities/persons mentioned in Note No. I and Note No. II are PACs for more than three years, except the entity at Sr. No. (19), (20), (21) & (22) in Note No. I are PACs for less than three years.

IV. None of the above-mentioned entities/persons in Note No. I and II hold any shares in the Company except the entity at Sr. No. (2) in Note No. I and (vii) in Note No. II.

ATTACHMENT (IV)

4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

b) Shareholding of Promoter and Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year (as on April 01, 2019)			Shareholding at the end of the year (as on March 31, 2020)			% change in share holding during the year (April 01, 2019 to March 31, 2020)
		No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Shriram Capital Limited (Promoter)	59,173,023	26.08	N.A	59,504,947	26.23	N.A	0.15
2	Shriram Financial Ventures (Chennai) Private Limited – (Promoter Group)	0	0	N.A	50037	0.02	N.A	0.02
Total		**59173023**	**26.08**	**N.A**	**59554984**	**26.25**	**N.A**	0.17

ATTACHMENT (V)

4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

c) Change in Promoter and Promoter Group Shareholding *(please specify, if there is no change)*

Sr. No.	Particular	Shareholding at the beginning (April 01, 2019)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020)	
		No. of shares	% of total shares of the company				No. of shares	% of total Shares of the company
1	Shriram Capital Limited (Promoter)	59173023	26.08	27/06/2019	124898	Purchase	59297921	26.14
	Shriram Capital Limited-(Promoter)	0	0	28/06/2019	207026	Purchase	**59504947**	**26.23**
2	Shriram Financial Ventures (Chennai) Private Limited – (Promoter Group)	0	0	27/06/2019	12518	Purchase	12518	**0.01**
	Shriram Financial Ventures (Chennai) Private Limited – (Promoter Group)	0	0	28/06/2019	37519	Purchase	**50037**	**0.02**

ATTACHMENT (VI)

4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

d) Shareholding Pattern of top ten Shareholders (other than Directors Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding at the beginning of the Year (as on April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	PIRAMAL ENTERPRISES LIMITED						
	Opening Balance as on 01/04/2019	22,600,000	9.96	0	0	0	0
	21/06/2019	0	0	(22,600,000)	(9.96)	0	0.00
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**0**	**0.00**
2	SANLAM LIFE INSURANCE LIMITED						
	Opening Balance as on 01/04/2019	6,757,267	2.98	0	0	0	0
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**6,757,267**	**2.98**
3	NEW WORLD FUND INC						
	Opening Balance as on 01/04/2019	**4,289,150**	**1.89**	**0**	**0**	**0**	**0**
	05/04/2019	0	0	91,580	0.04	4,380,730	1.93
	12/04/2019	0	0	10,333	0.01	4,391,063	1.94
	05/07/2019	0	0	(1,141,063)	(0.50)	3,250,000	1.43
	26/07/2019	00	0	(2,587,418)	(1.14)	662,582	0.29
	02/08/2019	0	0	(257,378)	(0.11)	405,204	0.18

Sr. No.	Name	Shareholding at the beginning of the Year (as on April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	09/08/2019	0	0	(357,800)	(0.16)	47,404	0.02
	16/08/2019	0	0	(47,404)	(0.02)	000	0.00
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**00**	**0.00**
4	GOVERNMENT PENSION FUND GLOBAL						
	Opening Balance as on 01/04/2019	**4,093,192**	**1.80**	**0**	**0**	**0**	**0**
	19/04/2019	0	0	133,329	0.06	4,226,521	1.86
	10/05/2019	0	0	76,315	0.03	4,302,836	1.90
	21/06/2019	0	0	77,152	0.03	4,379,988	1.93
	26/07/2019	0	0	77,129	0.03	4,457,117	1.97
	30/08/2019	0	0	363,947	0.16	4,821,064	2.13
	27/09/2019	0	0	137,726	0.06	4,958,790	2.19
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**4,958,790**	**2.19**
5	SOCIETE GENERALE / SOCIETE GENERALE - ODI						
	Opening Balance as on 01/04/2019	**3,615,963**	**1.59**	**0**	**0**	**0**	**0**
	05/04/2019	0	0	40,944	0.02	3,656,907	1.61
	12/04/2019	0	0	(27,041)	(0.01)	3,629,866	1.60
	19/04/2019	0	0	36,966	0.02	3,666,832	1.62
	26/04/2019	0	0	5,823	0.00	3,672,655	1.62
	03/05/2019	0	0	(40,302)	(0.02)	3,632,353	1.60
	10/05/2019	0	0	(236,982)	(0.10)	3,395,371	1.50
	17/05/2019	0	0	(344,140)	(0.15)	3,051,231	1.35
	24/05/2019	0	0	(178,185)	(0.08)	2,873,046	1.27
	31/05/2019	0	0	(30,273)	(0.01)	2,842,773	1.25
	07/06/2019	0	0	(293,467)	(0.13)	2,549,306	1.12
	14/06/2019	0	0	(625,247)	(0.28)	1,924,059	0.85
	21/06/2019	0	0	(149,211)	(0.07)	1,774,848	0.78
	28/06/2019	0	0	195	0.00	1,775,043	0.78
	05/07/2019	0	0	(25,434)	(0.01)	1,749,609	0.77
	12/07/2019	0	0	314,262	0.14	2,063,871	0.91
	19/07/2019	0	0	(426,075)	(0.19)	1,637,796	0.72
	26/07/2019	0	0	(189,750)	(0.08)	1,448,046	0.64
	02/08/2019	0	0	(211,616)	(0.09)	1,236,430	0.55
	09/08/2019	0	0	(128,225)	(0.06)	1,108,205	0.49
	16/08/2019	0	0	(25,639)	(0.01)	1,082,566	0.48
	23/08/2019	0	0	38,550	0.02	1,121,116	0.49
	30/08/2019	0	0	(110,953)	(0.05)	1,010,163	0.45
	06/09/2019	0	0	(289,631)	(0.13)	720,532	0.32
	13/09/2019	0	0	710	0.00	721,242	0.32
	20/09/2019	0	0	18,892	0.01	740,134	0.33
	27/09/2019	0	0	23,123	0.01	763,257	0.34
	04/10/2019	0	0	28,022	0.01	791,279	0.35
	11/10/2019	0	0	(10,700)	(0.01)	780,579	0.34
	18/10/2019	0	0	2,486	0.00	783,065	0.35
	25/10/2019	0	0	27,140	0.01	810,205	0.36
	01/11/2019	0	0	113,397	0.05	923,602	0.41
	08/11/2019	0	0	(89,755)	(0.04)	833,847	0.37
	15/11/2019	0	0	(28,816)	(0.01)	805,031	0.36
	22/11/2019	0	0	(26,642)	(0.01)	778,389	0.34
	29/11/2019	0	0	63,909	0.03	842,298	0.37
	06/12/2019	0	0	129,123	0.06	971,421	0.43
	13/12/2019	0	0	(3,813)	(0.00)	967,608	0.43
	20/12/2019	0	0	8,582	0.00	976,190	0.43
	27/12/2019	0	0	19,880	0.01	996,070	0.44
	31/12/2019	0	0	123,191	0.05	1,119,261	0.49
	03/01/2020	0	0	39,425	0.02	1,158,686	0.51
	10/01/2020	0	0	(78,878)	(0.04)	1,079,808	0.48
	17/01/2020	0	0	(31,544)	(0.01)	1,048,264	0.46
	24/01/2020	0	0	(13,098)	(0.01)	1,035,166	0.46
	31/01/2020	0	0	(164,137)	(0.07)	871,029	0.38

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(Contd.)

Sr. No.	Name	Shareholding at the beginning of the Year (as on April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	07/02/2020	0	0	565,277	0.25	1,436,306	0.63
	14/02/2020	0	0	763,617	0.34	2,199,923	0.97
	21/02/2020	0	0	60,664	0.03	2,260,587	1.00
	28/02/2020	0	0	55,498	0.02	2,316,085	1.02
	06/03/2020	0	0	40,051	0.02	2,356,136	1.04
	13/03/2020	0	0	(256,052)	(0.11)	2,100,084	0.93
	20/03/2020	0	0	(658,760)	(0.29)	1,441,324	0.64
	27/03/2020	0	0	(786,115)	(0.35)	655,209	0.29
	31/03/2020	0	0	(71,443)	(0.03)	583,766	0.26
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**583,766**	**0.26**
6	ABU DHABI INVESTMENT AUTHORITY (Under different sub accounts)						
	Opening Balance as on 01/04/2019	**3,370,518**	**1.49**	**0**	**0**	**0**	**0**
	05/04/2019	0	0	(146,110)	(0.06)	3,224,408	1.42
	12/04/2019	0	0	19,725	0.01	3,244,133	1.43
	19/04/2019	0	0	42,574	0.02	3,286,707	1.45
	26/04/2019	0	0	112,023	0.05	3,398,730	1.50
	31/05/2019	0	0	(7,487)	(0.00)	3,391,243	1.50
	21/06/2019	0	0	266,926	0.12	3,658,169	1.61
	28/06/2019	0	0	20	0.00	3,658,189	1.61
	19/07/2019	0	0	(39,986)	(0.02)	3,618,203	1.60
	26/07/2019	0	0	(81,184)	(0.04)	3,537,019	1.56
	02/08/2019	0	0	87,337	0.04	3,624,356	1.60
	30/08/2019	0	0	(4,789)	(0.00)	3,619,567	1.60
	13/09/2019	0	0	4,474	0.00	3,624,041	1.60
	11/10/2019	0	0	(32,085)	(0.01)	3,591,956	1.58
	18/10/2019	0	0	(1,339)	(0.00)	3,590,617	1.58
	25/10/2019	0	0	(1,340)	(0.00)	3,589,277	1.58
	08/11/2019	0	0	12,301	0.01	3,601,578	1.59
	15/11/2019	0	0	(262,763)	(0.12)	3,338,815	1.47
	22/11/2019	0	0	(248,451)	(0.11)	3,090,364	1.36
	29/11/2019	0	0	(24,400)	(0.01)	3,065,964	1.35
	17/01/2020	0	0	(329,507)	(0.15)	2,736,457	1.21
	24/01/2020	0	0	(114,913)	(0.05)	2,621,544	1.16
	31/01/2020	0	0	(12,352)	(0.01)	2,609,192	1.15
	07/02/2020	0	0	(317,315)	(0.14)	2,291,877	1.01
	14/02/2020	0	0	(4,300)	(0.00)	2,287,577	1.01
	21/02/2020	0	0	(2,850)	(0.00)	2,284,727	1.01
	28/02/2020	0	0	(11,580)	(0.01)	2,273,147	1.00
	06/03/2020	0	0	(85,320)	(0.04)	2,187,827	0.96
	27/03/2020	0	0	107,300	0.05	2,295,127	1.01
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**2,295,127**	**1.01**
7	SMALLCAP WORLD FUND, INC						
	Opening Balance as on 01/04/2019	**3,179,060**	**1.40**	**0**	**0**	**0**	**0**
	05/04/2019	0	0	1,874	0.00	3,180,934	1.40
	12/04/2019	0	0	211	0.00	3,181,145	1.40
	21/06/2019	0	0	(425,375)	(0.19)	2,755,770	1.22
	28/06/2019	0	0	(1,887,895)	(0.83)	867,875	0.38
	05/07/2019	0	0	(608,150)	(0.27)	259,725	0.11
	19/07/2019	0	0	(213,726)	(0.09)	45,999	0.02
	28/02/2020	0	0	436,268	0.19	482,267	0.21
	06/03/2020	0	0	248,232	0.11	730,499	0.32
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**730,499**	**0.32**
8	GOVERNMENT OF SINGAPORE						
	Opening Balance as on 01/04/2019	**2,917,874**	**1.29**	**0**	**0**	**0**	**0**
	05/04/2019	0	0	(204,637)	(0.09)	2,713,237	1.20
	12/04/2019	0	0	79,903	0.04	2,793,140	1.23
	03/05/2019	0	0	(10,073)	(0.00)	2,783,067	1.23
	10/05/2019	0	0	(18,615)	(0.01)	2,764,452	1.22
	17/05/2019	0	0	(2,035)	(0.00)	2,762,417	1.22
	24/05/2019	0	0	10,498	0.01	2,772,915	1.22

Sr. No.	Name	Shareholding at the beginning of the Year (as on April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	31/05/2019	0	0	(70,095)	(0.03)	2,702,820	1.19
	07/06/2019	0	0	203,312	0.09	2,906,132	1.28
	14/06/2019	0	0	21,418	0.01	2,927,550	1.29
	05/07/2019	0	0	7,809	0.00	2,935,359	1.29
	12/07/2019	0	0	21,638	0.01	2,956,997	1.30
	19/07/2019	0	0	(1,593)	(0.00)	2,955,404	1.30
	26/07/2019	0	0	(7,470)	(0.00)	2,947,934	1.30
	02/08/2019	0	0	222,132	0.10	3,170,066	1.40
	09/08/2019	0	0	(18,210)	(0.01)	3,151,856	1.39
	16/08/2019	0	0	(7,480)	(0.00)	3,144,376	1.39
	23/08/2019	0	0	(2,626)	(0.00)	3,141,750	1.39
	30/08/2019	0	0	(28,765)	(0.01)	3,112,985	1.37
	06/09/2019	0	0	(714)	0.00	3,112,271	1.37
	13/09/2019	0	0	5,180	0.00	3,117,451	1.37
	20/09/2019	0	0	4,934	0.00	3,122,385	1.38
	30/09/2019	0	0	(1,413)	(0.00)	3,120,972	1.38
	04/10/2019	0	0	22,814	0.01	3,143,786	1.39
	11/10/2019	0	0	26,023	0.01	3,169,809	1.40
	18/10/2019	0	0	5,413	0.00	3,175,222	1.40
	25/10/2019	0	0	(736)	0.00	3,174,486	1.40
	01/11/2019	0	0	(1,448)	(0.00)	3,173,038	1.40
	08/11/2019	0	0	2,422	0.00	3,175,460	1.40
	15/11/2019	0	0	55,551	0.02	3,231,011	1.42
	22/11/2019	0	0	(599)	0.00	3,230,412	1.42
	29/11/2019	0	0	(52,666)	(0.02)	3,177,746	1.40
	06/12/2019	0	0	(85,793)	(0.04)	3,091,953	1.36
	13/12/2019	0	0	(764)	0.00	3,091,189	1.36
	20/12/2019	0	0	16,493	0.01	3,107,682	1.37
	31/12/2019	0	0	(5,048)	(0.00)	3,102,634	1.37
	03/01/2020	0	0	(27,458)	(0.01)	3,075,176	1.36
	10/01/2020	0	0	(110,167)	(0.05)	2,965,009	1.31
	17/01/2020	0	0	(87,700)	(0.04)	2,877,309	1.27
	24/01/2020	0	0	(12,965)	(0.01)	2,864,344	1.26
	31/01/2020	0	0	(3,499)	(0.00)	2,860,845	1.26
	07/02/2020	0	0	(80,524)	(0.04)	2,780,321	1.23
	14/02/2020	0	0	16,503	0.01	2,796,824	1.23
	21/02/2020	0	0	(1,415)	(0.00)	2,795,409	1.23
	28/02/2020	0	0	(376,993)	(0.17)	2,418,416	1.07
	06/03/2020	0	0	(705,129)	(0.31)	1,713,287	0.76
	13/03/2020	0	0	(88,661)	(0.04)	1,624,626	0.72
	20/03/2020	0	0	(145,985)	(0.06)	1,478,641	0.65
	31/03/2020	0	0	(7,008)	(0.00)	1,471,633	0.65
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**1,471,633**	**0.65**
9	GENERATION IM FUND PLC-GENERATION IM ASIA FUND						
	Opening Balance as on 01/04/2019	**2,900,599**	**1.28**	**0**	**0**	**0**	**0**
	05/04/2019	0	0	64,799	0.03	2,965,398	1.31
	21/06/2019	0	0	154,120	0.07	3,119,518	1.38
	05/07/2019	0	0	33,247	0.02	3,152,765	1.39
	26/07/2019	0	0	185,000	0.08	3,337,765	1.47
	02/08/2019	0	0	158,900	0.07	3,496,665	1.54
	04/10/2019	0	0	(334,654)	(0.15)	3,162,011	1.39
	03/01/2020	0	0	(151,715)	(0.07)	3,010,296	1.33
	28/02/2020	0	0	(275,978)	(0.12)	2,734,318	1.21
	20/03/2020	0	0	212,460	0.09	2,946,778	1.30
	Closing Balance as on 31/03/2020	0	0	0	0	2,946,778	1.30
10	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS						
	Opening Balance as on 01/04/2019	**2,704,346**	**1.19**	**0**	**0**	**0**	**0**
	12/04/2019	0	0	6,233	0.00	2,710,579	1.20
	10/05/2019	0	0	6,504	0.00	2,717,083	1.20
	21/06/2019	0	0	(14,634)	(0.01)	2,702,449	1.19

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(Contd.)

Sr. No.	Name	Shareholding at the beginning of the Year (as on April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	28/06/2019	0	0	(72,080)	(0.03)	2,630,369	1.16
	27/09/2019	0	0	(72,848)	(0.03)	2,557,521	1.13
	27/12/2019	0	0	(66,358)	(0.03)	2,491,163	1.10
	27/03/2020	0	0	(2,163)	(0.00)	2,489,000	1.10
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**2,489,000**	**1.10**
11	FIDELITY INVESTMENT TRUST FIDELITY SERIES EMERGING MARKETS OPPORTUNITIES FUND						
	Opening Balance as on 01/04/2019	**2,397,700**	**1.06**	**0**	**0**	**0**	**0**
	10/05/2019	0	0	78,900	0.04	2,476,600	1.09
	31/05/2019	0	0	31,600	0.01	2,508,200	1.11
	14/06/2019	0	0	111,600	0.05	2,619,800	1.16
	21/06/2019	0	0	648,698	0.29	3,268,498	1.44
	05/07/2019	0	0	109,800	0.05	3,378,298	1.49
	26/07/2019	0	0	(58,100)	(0.03)	3,320,198	1.46
	09/08/2019	0	0	210,000	0.09	3,530,198	1.56
	16/08/2019	0	0	193,072	0.09	3,723,270	1.64
	23/08/2019	0	0	54,000	0.02	3,777,270	1.67
	27/09/2019	0	0	397,900	0.18	4,175,170	1.84
	18/10/2019	0	0	68,400	0.03	4,243,570	1.87
	08/11/2019	0	0	188,200	0.08	4,431,770	1.95
	15/11/2019	0	0	16,200	0.01	4,447,970	1.96
	22/11/2019	0	0	(41,000)	(0.02)	4,406,970	1.94
	20/12/2019	0	0	643,500	0.28	5,050,470	2.23
	24/01/2020	0	0	(109,700)	(0.05)	4,940,770	2.18
	06/03/2020	0	0	238,300	0.11	5,179,070	2.28
	13/03/2020	0	0	304,000	0.13	5,483,070	2.42
	20/03/2020	0	0	597,400	0.26	6,080,470	2.68
	27/03/2020	0	0	1,279,500	0.56	7,359,970	3.24
	31/03/2020	0	0	3,206	0.00	7,363,176	3.25
	Closing Balance as on 31/03/2020	**0**	**0**			**7,363,176**	**3.25**
12	T. ROWE PRICE NEW ASIA FUND						
	Opening Balance as on 01/04/2019	**2,137,423**	**0.94**	**0**	**0**	**0**	**0**
	17/05/2019	0	0	112,651	0.05	2,250,074	0.99
	31/05/2019	0	0	151,240	0.07	2,401,314	1.06
	14/06/2019	0	0	94,242	0.04	2,495,556	1.10
	21/06/2019	0	0	131,940	0.06	2,627,496	1.16
	09/08/2019	0	0	130,509	0.06	2,758,005	1.22
	23/08/2019	0	0	408,891	0.18	3,166,896	1.40
	01/11/2019	0	0	144,681	0.06	3,311,577	1.46
	15/11/2019	0	0	99,162	0.04	3,410,739	1.50
	07/02/2020	0	0	(68,664)	(0.03)	3,342,075	1.47
	14/02/2020	0	0	(67,014)	(0.03)	3,275,061	1.44
	28/02/2020	0	0	165,319	0.07	3,440,380	1.52
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**3,440,380**	**1.52**
13	MFS EMERGING MARKETS EQUITY FUND						
	Opening Balance as on 01/04/2019	**1,210,894**	**0.53**	**0**	**0**	**0**	**0**
	05/04/2019	0	0	15,264	0.01	1,226,158	0.54
	26/04/2019	0	0	8,339	0.00	1,234,497	0.54
	03/05/2019	0	0	26,198	0.01	1,260,695	0.56
	10/05/2019	0	0	19,959	0.01	1,280,654	0.56
	17/05/2019	0	0	32,557	0.01	1,313,211	0.58
	24/05/2019	0	0	39,224	0.02	1,352,435	0.60
	07/06/2019	0	0	334,534	0.15	1,686,969	0.74
	14/06/2019	0	0	156,615	0.07	1,843,584	0.81
	21/06/2019	0	0	216,515	0.10	2,060,099	0.91
	28/06/2019	0	0	272,803	0.12	2,332,902	1.03
	05/07/2019	0	0	174,460	0.08	2,507,362	1.11
	19/07/2019	0	0	23,194	0.01	2,530,556	1.12
	09/08/2019	0	0	36,605	0.02	2,567,161	1.13
	16/08/2019	0	0	84,039	0.04	2,651,200	1.17
	23/08/2019	0	0	39,302	0.02	2,690,502	1.19

Sr. No.	Name	Shareholding at the beginning of the Year (as on April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	30/08/2019	0	0	241,127	0.11	2,931,629	1.29
	06/09/2019	0	0	28,715	0.01	2,960,344	1.31
	13/09/2019	0	0	14,753	0.01	2,975,097	1.31
	04/10/2019	0	0	22,219	0.01	2,997,316	1.32
	11/10/2019	0	0	27,658	0.01	3,024,974	1.33
	18/10/2019	0	0	11,907	0.01	3,036,881	1.34
	01/11/2019	0	0	12,826	0.01	3,049,707	1.34
	08/11/2019	0	0	16,465	0.01	3,066,172	1.35
	22/11/2019	0	0	38,042	0.02	3,104,214	1.37
	29/11/2019	0	0	15,015	0.01	3,119,229	1.38
	06/12/2019	0	0	22,195	0.01	3,141,424	1.39
	13/12/2019	0	0	20,235	0.01	3,161,659	1.39
	27/12/2019	0	0	16,279	0.01	3,177,938	1.40
	03/01/2020	0	0	(58,043)	(0.03)	3,119,895	1.38
	10/01/2020	0	0	14,823	0.01	3,134,718	1.38
	17/01/2020	0	0	18,143	0.01	3,152,861	1.39
	31/01/2020	0	0	97,411	0.04	3,250,272	1.43
	07/02/2020	0	0	95,990	0.04	3,346,262	1.48
	21/02/2020	0	0	31,760	0.01	3,378,022	1.49
	28/02/2020	0	0	40,813	0.02	3,418,835	1.51
	06/03/2020	0	0	(7,502)	(0.00)	3,411,333	1.50
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**3,411,333**	**1.50**
14	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND						
	Opening Balance as on 01/04/2019	**2,611,567**	**1.15**	**0**	**0**	**0**	**0**
	26/04/2019	0	0	(30,299)	(0.01)	2,581,268	1.14
	17/05/2019	0	0	34,298	0.02	2,615,566	1.15
	31/05/2019	0	0	38,356	0.02	2,653,922	1.17
	16/08/2019	0	0	32,882	0.01	2,686,804	1.18
	20/09/2019	0	0	27,397	0.01	2,714,201	1.20
	10/01/2020	0	0	13,663	0.01	2,727,864	1.20
	17/01/2020	0	0	25,666	0.01	2,753,530	1.21
	28/02/2020	0	0	45,798	0.02	2,799,328	1.23
	06/03/2020	0	0	22,449	0.01	2,821,777	1.24
	20/03/2020	0	0	66,821	0.03	2,888,598	1.27
	27/03/2020	0	0	34,444	0.02	2,923,042	1.29
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**2,923,042**	**1.29**
15	INVESCO PERPETUAL FUND (Under different sub accounts)						
	Opening Balance as on 01/04/2019	**0**	**0**	**0**	**0**	**0**	**0**
	19/07/2019	0	0	614,626	0.27	614,626	0.27
	26/07/2019	0	0	877,165	0.39	1,491,791	0.66
	02/08/2019	0	0	428,944	0.19	1,920,735	0.85
	09/08/2019	0	0	121,464	0.05	2,042,199	0.90
	23/08/2019	0	0	16,087	0.01	2,058,286	0.91
	30/08/2019	0	0	15,550	0.01	2,073,836	0.91
	06/09/2019	0	0	214,252	0.09	2,288,088	1.01
	13/09/2019	0	0	120,100	0.05	2,408,188	1.06
	20/09/2019	0	0	80,912	0.04	2,489,100	1.10
	27/09/2019	0	0	200,211	0.09	2,689,311	1.19
	04/10/2019	0	0	21,822	0.01	2,711,133	1.20
	11/10/2019	0	0	267,878	0.12	2,979,011	1.31
	25/10/2019	0	0	(92,140)	(0.04)	2,886,871	1.27
	22/11/2019	0	0	(56,578)	(0.03)	2,830,293	1.25
	06/12/2019	0	0	12,393	0.01	2,842,686	1.25
	17/01/2020	0	0	49,311	0.02	2,891,997	1.28
	14/02/2020	0	0	14,770	0.01	2,906,767	1.28
	28/02/2020	0	0	(6,825)	(0.00)	2,899,942	1.28
	20/03/2020	0	0	(110,514)	(0.05)	2,789,428	1.23
	27/03/2020	0	0	78,939	0.04	2,868,367	1.26
	31/03/2020	0	0	22,683	0.01	2,891,050	1.27
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**2,891,050**	**1.27**

ANNEXURE - II

(Contd.)

Sr. No.	Name	Shareholding at the beginning of the Year (as on April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
16	INVESTEC GLOBAL STRATEGY FUND - ASIAN EQUITY FUND						
	Opening Balance as on 01/04/2019	**2,702,212**	**1.19**	**0**	**0**	**0**	**0**
	12/04/2019	0	0	219,464	0.10	2,921,676	1.29
	19/04/2019	0	0	182,885	0.08	3,104,561	1.37
	26/04/2019	0	0	507,361	0.22	3,611,922	1.59
	21/06/2019	0	0	128,446	0.06	3,740,368	1.65
	30/09/2019	0	0	(88,997)	(0.04)	3,651,371	1.61
	11/10/2019	0	0	(14,802)	(0.01)	3,636,569	1.60
	25/10/2019	0	0	(3,100)	(0.00)	3,633,469	1.60
	15/11/2019	0	0	130,817	0.06	3,764,286	1.66
	29/11/2019	0	0	(105,129)	(0.05)	3,659,157	1.61
	20/12/2019	0	0	(31,582)	(0.01)	3,627,575	1.60
	27/12/2019	0	0	(89,731)	(0.04)	3,537,844	1.56
	31/12/2019	0	0	(22,684)	(0.01)	3,515,160	1.55
	17/01/2020	0	0	(35,363)	(0.02)	3,479,797	1.53
	21/02/2020	0	0	(63,063)	(0.03)	3,416,734	1.51
	28/02/2020	0	0	(53,270)	(0.02)	3,363,464	1.48
	06/03/2020	0	0	(50,898)	(0.02)	3,312,566	1.46
	13/03/2020	0	0	(65,430)	(0.03)	3,247,136	1.43
	20/03/2020	0	0	(381,999)	(0.17)	2,865,137	1.26
	27/03/2020	0	0	(105,531)	(0.05)	2,759,606	1.22
	Closing Balance as on 31/03/2020	**0**	**0**	**0**	**0**	**2,759,606**	**1.22**

ATTACHMENT (VII)

4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

e) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year (April 01, 2019)		Changes during the year		Cumulative Shareholding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. Parag Sharma PAN : ABDPS9129C						
	Opening Balance as on April 01, 2019	41,000	0.02	0	0	41,000	0.02
	Closing Balance as on March 31, 2020	**0**	**0**	**0**	**0**	**41,000**	**0.02**

ATTACHMENT (VIII)

5. INDEBTENDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on March 31, 2020

(Rs. in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,607,643.30	979,786.46	972,147.50	8,559,577.25
ii) Interest due but not paid(unclaimed)	692.09	1,349.02	2,574.44	4,615.56
iii) Interest accrued but not due	134,598.89	37,902.53	59,361.00	231,862.42
Total (i+ii+iii)	**6,742,934.28**	**1,019,038.01**	**1,034,082.94**	**8,796,055.23**
Change in Indebtedness during the financial year				
• Addition	5,170,142.92	445,294.27	435,159.65	6,050,596.84
• Reduction	4,283,849.26	844,900.03	275,168.05	5,403,917.34
Net Change	**886,293.66**	**-399,605.76**	**159,991.60**	**646,679.50**
Indebtedness at the end of the financial year				
i) Principal Amount	7,477,334.26	586,326.71	1,120,169.67	9,183,830.63
ii) Interest due but not paid (unclaimed)	483.60	3,072.61	2,004.89	5,561.10
iii) Interest accrued but not due	151,410.08	30,032.93	71,899.98	253,343.00
Total (i+ii+iii)	**7,629,227.94**	**619,432.25**	**1,194,074.54**	**9,442,734.73**

* Addition and reduction includes Interest

ATTACHMENT (IX)

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager *Umesh Revankar – Managing Director and CEO (in Rs.)	Total Amount (in Rs.)
1	**Gross salary**		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96,66,667	96,66,667
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	**Stock Option**	0	0
3	**Sweat Equity**	0	0
4	**Commission**	0	0
	- as % of profit	0	0
	- others, specify...	0	0
5	**Others, please specify**		
	PF Contribution	7,20,000	7,20,000
	NPS Contribution	6,00,000	6,00,000
Total (A)		**1,09,86,667**	**1,09,86,667**

Note-

Above figures do not include post retirement benefits.

(*)The Ceiling on remuneration of Managing Director and CEO as per Section 197 of the Companies Act, 2013 (the Act) is Rs. 1,71,87,62,294 i.e. 5% of the net profit computed as per Section 198 of the Act. Save and except the Managing Director no Whole-time Director or Manager is appointed.

ATTACHMENT (X)

b) Remuneration to Other Directors:

Sr. No.	Particulars of Remuneration	Particulars of Remuneration			
		Fee for attending board committee meetings Commission (in Rs.)	Commission (in Rs.)	Others, please specify	Total Amount (in Rs.)
1	**Independent Directors**				
	Mr. S Lakshminarayanan	4,15,000	7,50,000	Nil	11,65,000
	Mrs. Kishori Udeshi	6,65,000	7,50,000	Nil	14,15,000
	Mr. S. Sridhar	5,65,000	7,50,000	Nil	13,15,000
	Mr.Pradeep Kumar Panja	6,65,000	7,50,000	Nil	14,15,000
	Total (1)	**23,10,000**	**30,00,000**	**Nil**	**53,10,000**
2	**Other Non-Executive Directors**				
	Mr. D V Ravi	Nil	Nil	Nil	Nil
	Mr. Puneet Bhatia	Nil	Nil	Nil	Nil
	Mr. Gerrit Lodewyk Van Heerde (upto May 08, 2019)	Nil	Nil	Nil	Nil
	Mr. Ignatius Michael Viljoen (w.e.f. May 14, 2019)	Nil	Nil	Nil	Nil
	Total (2)	**Nil**	**Nil**	**Nil**	**Nil**
	Total (B)=(1+2)	**Nil**	**Nil**	**Nil**	**Nil**
	Total Managerial Remuneration	**23,10,000**	**30,00,000**	**Nil**	**53,10,000**

Note-

The ceiling on remuneration to Directors other than Managing Director, Whole-time Directors and/or Manager is Rs 34,37,52,459 i.e. 1% of the net profits of the Company calculated as per Section 198 of the Act.

ATTACHMENT (XI)

c) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD.

(in Rs.)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
		Vivek M. Achwal	Parag Sharma	
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	46,54,408	57,03,600	**1,03,58,008**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	**0**
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	**0**
2	Stock Option	0	0	**0**
3	Sweat Equity	0	0	**0**

ANNEXURE - II

(Contd.)

(in Rs.)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
		Vivek M. Achwal	Parag Sharma	
4	Commission	0	0	**0**
	- as % of profit	0	0	**0**
	- others, specify...	0	0	**0**
5	Others, please specify	0	0	**0**
	PF Contribution	1,62,000	3,24,000	**4,86,000**
	NPS Contribution	1,35,000	2,70,000	**4,05,000**
	Total	**49,51,408**	**62,97,600**	**1,12,49,008**

Note: Above figures do not include post retirement benefits

ATTACHMENT(XII)

7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
			A. COMPANY		
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
			B. DIRECTORS		
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
			C. OTHER OFFICERS IN DEFAULT		
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

S. Lakshminarayanan

Chairman

(DIN: 02808698)

New Delhi

June 10, 2020

ANNEXURE - III

A. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) (a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director for the Financial year 2019-20:-

Name of Independent Directors	Category	*Remuneration for FY 2018-19 (Rs. in crs)	*Remuneration for FY 2019-20 (Rs. in crs)	% Increase in Remuneration in FY 2019-20	Ratio of Remuneration of each Director to Median Remuneration of Employees
(i)	(ii)	(iii)	(iv)	(v)= (iv)- (iii)	(vi)
Mr. S.Lakshminarayanan Chairman	Non- Executive	0.08	0.08	-	2.48x
Mr. S.M .Bafna (upto March 31,2019)	Non- Executive	0.08	-	@Not Applicable	@Not Applicable
Mr. Amitabh Chaudhry (upto October 25, 2018)	Non- Executive	0.04	-	@Not Applicable	@Not Applicable
Mrs. Kishori Udeshi	Non- Executive	0.08	0.08	-	2.48x
Mr. S.Sridhar	Non- Executive	0.08	0.08	-	2.48x
Mr. Pradeep Kumar Panja (w.e.f. October 25, 2018)	Non- Executive	0.03	0.08	@Not Applicable	2.48x

*Excludes Sitting fees. The Independent directors are entitled to Sitting fees and commission as per the statutory provisions and within the limit approved by the Shareholders. The Non-executive Non-Independent Directors did not receive any remuneration from the Company.

@ Mr. Pradeep Kumar Panja held the office w.e.f October 25, 2018, as such the details of percentage increase in his remuneration in financial year 2019-20 is not given. Further Mr. Amitabh Chaudhry held the office upto October 25, 2018 and Mr. S. M. Bafna held the office upto March 31, 2019, as such the details of percentage increase in their remuneration in financial year 2019-20 are not given and for these reasons the ratio of their remuneration to the Median remuneration of employees is not given.

(b) The percentage increase in remuneration of Chief Executive Officer , Chief Financial Officer and Company Secretary in the Financial year 2019-20:-

Name of KMP	Category	Remuneration for FY 2018-19 (Rs. in crs)	Remuneration for FY 2019-20 (Rs. in crs)	% Increase in Remuneration in FY 2019-20	Ratio of Remuneration of each Director to Median Remuneration of Employees
*Mr. Umesh Revankar	Managing Director & CEO	0.63	1.10	74.58	36.38
Mr. Parag Sharma	Chief Financial Officer	0.58	0.63	9.53	Not Applicable
Mr. Vivek Achwal	Company Secretary	0.45	0.50	9.70	Not Applicable

* (The above figures do not include retirement benefits.)

(ii) In the Financial year 2019-20, there was an increase of 3.97% in the median remuneration of the employees

(iii) There were 28045 permanent employees on the role of Company as on March 31, 2020.

(iv) For employees other than Managerial Personnel who were in employment for whole of the Financial Year 2018-19 and Financial Year 2019-20, the average increase was 21.19%. The average increase for Managerial Personnel was 9.37%. The increase in the managerial remuneration is reasonable having regard to the performance, qualification and experience of the managerial personnel and the same is in line with the industry standards/benchmark.

(v) It is hereby affirmed that the remuneration paid to the Directors, Key Managerial Persons and employees is as per the Remuneration policy of the Company.

ANNEXURE - III

(Contd.)

B. THE DISCLOSURE REQUIRED AS UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 :

Sr. No	Name of the Employee	Designation	Remuneration (Rs.in crs)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Date of Birth	Age	Last employment	Relative of any director
1.	Mr. Umesh Revankar	Managing Director & CEO	1.16	Contractual	Bachelor's degree in business management from Mangalore University and a master of business administration (MBA) in finance. Attended the Advanced Management Program at Harvard Business School. Has 33 years of experience. For more details refer Corporate Governance Report.	Director since October 25, 2016	October 27, 1964	55 years	Shriram Capital Limited	-

For and on behalf of the Board of Directors
S. Lakshminarayanan
Chairman
(DIN: 02808698)

New Delhi
June 10, 2020

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To
The Members
Shriram Transport Finance Company Limited
CIN: L65191TN1979PLC007874
Mookambika Complex, 3rd Floor
No: 4, Lady Desika Road, Mylapore
Chennai 600004

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shriram Transport Finance Company Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of Company's books, papers, minute books, forms, statutory registers and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made there under;
2) The Securities Contracts(Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3) The Depositories Act, 1996 and the Regulations and Bye-laws framed
4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
   g) The Securities and Exchange Board of India(Buy-Back of Securities) Regulations,2018
6) Reserve Bank of India Act, 1934
7) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
8) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.
9) Master Direction - External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers as amended.

10) Master Direction - Information Technology Framework for the NBFC Sector

11) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

12) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

I have also examined compliance with the applicable clauses of the following:

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

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

I have examined the systems and processes of the Company in place to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

I further report that

there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with other applicable laws on the operation of the Company and the rules made thereunder.

I further report that

during the audit period apart from the instances mentioned hereunder, there were specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.,

(i) Private Placement offer letter for secured and unsecured redeemable Non-Convertible Debentures pursuant to Section 42 of the Companies Act, 2013 read with Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(ii) Private Placement offer letter for Unsecured Redeemable Non-Convertible Subordinated Debt in the nature of Debentures pursuant to Section 42 read with rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules 2014.

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.

(iv) Public issue of Secured Redeemable Non-convertible Debentures pursuant to the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "debt regulations") read with the companies Act, 2013 and the rules made thereunder.

(v) Buy back of Non convertible Debentures issued through Private Placement.

(vi) Major decisions taken by the members in pursuance to section 149 of the Companies Act, 2013 and Regulation 16(1)(b) and 17(1A) of SEBI (listing obligations and disclosure requirements) Regulations, 2015.

(P. Sriram)
P. Sriram & Associates
FCS No. 4862/C P No: 3310
UDIN : F004862B000333971
PEER REVIEW NO:S2011TN155200

Chennai
June 09, 2020

This Report is to be read with my testimony of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To
The Members
Shriram Transport Finance Company Limited

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

(P. Sriram)
P. Sriram & Associates
FCS No. 4862/C P No: 3310
UDIN : F004862B000333971
PEER REVIEW NO:S2011TN155200

Chennai
June 09, 2020

ANNEXURE - V

Pijush Gupta & Co.
Chartered Accountants
GF – 17 Augusta Point,Golf Course Road, Sector – 53
Gurugram - 122002

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

To The Members

Shriram Transport Finance Company Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated June 28, 2019.
2. We have examined the compliance of conditions of Corporate Governance by Shriram Transport Finance Company Limited ('the Company'), for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2020.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

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

For Pijush Gupta & Co.
Chartered Accountants
ICAI Firm Registration No.309015E

Sangeeta Gupta
Partner
Membership No.:064225
UDIN: 20064225AAAABA3030

Gurugram
June 10, 2020

Report on Corporate Governance

The Report for the financial year ended March 31, 2020 on compliance by the Company with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below.

The Company's philosophy on Corporate Governance is aimed at (a) enhancing long term shareholder value through assisting the top management in taking sound business decisions; and prudent financial management. (b) achieving transparency and professionalism in all decisions and activities of the Company (c)achieving excellence in Corporate Governance by conforming to the prevalent guidelines on Corporate Governance, and excelling in, wherever possible and reviewing periodically the existing systems and controls for further improvements.

BOARD OF DIRECTORS

The Company has put in place an internal governance structure. The Board of Directors of the Company consists of professionals from varied disciplines. The day to day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Managing Director and CEO, who functions under the overall supervision, direction and control of the Board of Directors ("the Board") of the Company. The Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances with the goals and control functions, etc. . In order to facilitate the day-to-day operations, the Board constitutes from time to time various committees and delegated necessary powers to the Committees. The Board has also delegated certain powers of day-to-day management of affairs of the Company to the Managing Director relating to operational matters. The Board thus exercises close control over the overall functioning of the Company with a view to enhance the stakeholders value.

The Independent Directors have made disclosures confirming that there are no material, financial and/or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large.

BOARD MEETING AND PROCEDURES

1. The notes on Agenda setting out the business to be transacted at the Board Meeting , were sent to each Director seven days before the date of the Board Meeting. The financial results were generally tabled at the Board meeting held as and when necessary. The Directors were provided the facility of video conferencing to enable them to participate effectively in the Meeting(s), as and when required. During the financial year the Directors also passed some resolutions by circulation on March 24,2020, March 30,2020 and March 31,2020 for continued business affairs of the Company. The yearly calendar of the meetings is finalized before the beginning of the year.

   During the year under review, six meetings of the Board of Directors were held on April 03, 2019, May 08, 2019, June 27, 2019, July 24, 2019, October 24, 2019 and February 03, 2020. The necessary quorum was present for all the meetings.

   The maximum gap between any two meetings was not more than one hundred and twenty days. As mandated by proviso under Regulation 17A(1) of the

Listing Regulations as of March 31, 2020, none of the Independent Directors of the Company served as an Independent Director in more than seven listed entities and as per Regulation 26 of Listing Regulations none of Directors is a member of more than ten Committees or acting as Chairperson of more than five Committees of the companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of Directors, their attendance at Board Meetings held during the Financial Year and at the last Annual General Meeting (AGM), number of Memberships/Chairmanships of Directors in other Boards and Committees of Board, Category of directorship and names of listed entities where person is a director are as follows:

COMPOSITION OF BOARD

The Company's policy is to maintain an optimum combination of Executive and Non-Executive/Independent Directors. The composition of Board of Directors is given in the table below and is in conformity with Regulation 17(1) of the Listing Regulations and other applicable regulatory requirements.

Name of the Director and Category of Directorship	No. of Board Meetings attended during the F.Y. 2020	Whether attended the last AGM held on June 27, 2019	Total no. of Direc-torships	Member-ships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of director-ship and Names of listed entities where person is a director.
Mr. S Lakshminarayanan Chairman Non-Executive Independent Director, DIN: 02808698	5	Yes	3	1	1	Nil
Mr. Umesh Revankar Executive, Managing Director & CEO, DIN: 00141189 At the 40th AGM held on June 27, 2019, the shareholders of our Company have approved re-appointment for a period of five years w.e.f. October 26, 2019.	6	Yes	5	3	0	NIL
Mr. Puneet Bhatia Non-Executive Non-Independent Director, DIN: 00143973	3	No	7	1	0	Non-executive Non Independent director i) Havells India Limited
Mrs. Kishori Jayendra Udeshi Non-Executive Independent Director, DIN: 01344073	6	Yes	7	4	0	Non-executive Independent Director (i) ION Exchange (India) Ltd. (ii) HALDYN Glass Ltd. ; (iii) Thomas Cook (india) Ltd.; (iv) ELANTAS Beck India Limited
***Mr. Gerrit Lodewyk Van Heerde,** Non-Executive Non-Independent Director, DIN: 06870337	2	N.A.*	*	*	*	*
****Mr. Ignatius Michael Viljoen ,** Non-Executive and Non-Independent Director DIN: 08452443	5	No	1	0	0	Non-executive Non Independent director i) Shriram City Union Finance Limited

Name of the Director and Category of Directorship	No. of Board Meetings attended during the F.Y. 2020	Whether attended the last AGM held on June 27, 2019	Total no. of Directorships	Member-ships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of directorship and Names of listed entities where person is a director.
Mr. Sridhar Srinivasan Non-Executive Independent Director, DIN: 00004272	6	Yes	7	1	4	Non-executive Independent director i) Jubilant Life Sciences Limited ii) Strides Pharma Science Limited iii) DCB Bank Limited
Mr. D. V. Ravi Non-Executive Non-Independent Director, DIN: 00171603	3	Yes	5	2	0	Non-executive Non Independent director i) Take Solutions Limited
Mr. Pradeep Kumar Panja Non-Executive Independent Director, DIN: 03614568	6	Yes	6	3	2	Non-executive Independent director i) Omax Autos Limited ii) Trigyn Technologies Limited iii) Brigade Enterprises Limited

Notes:

1. In the above table, the total number of Directorships of a Director excludes his/her Directorships in the Company, Section 8 Company, Private Limited Companies and Foreign Companies.
2. The Memberships and Chairmanships of Directors in Committees do not include their Memberships and Chairmanships in the Company.
3. None of the above Directors are related inter- se.
4. Non-Executive Directors of the Company do not hold any shares and convertible instruments in the Company.
5. * Mr. Gerrit Lodewyk Van Heerde, Non-Executive Non-Independent Director resigned from the directorship of the Company with effect from May 09, 2019 due to work commitments.
6 ** The Board of Directors appointed Mr. Ignatius Michael Viljoen as a Non-Executive Non- Independent Director of the Company w.e.f May 14, 2019.

A chart or a matrix setting out the skills/expertise/competence of the Board of Directors Pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h)(ii) of Listing Regulations the Board of Directors has identified the following the requisite skills/expertise and competencies for the effective functioning of the Company which are currently available with the Board.

Sr. No.	Name of the Director & Designation	Core skills/expertise/competencies
1	**Mr. S Lakshminarayanan** Chairman, Independent Director	Member of Indian Administrative Service (retired) held various senior positions in government departments including Secretary in Ministry of Home Affairs. Wide experience in the fields of administration and public relations.
2	**Mr. Umesh Revankar** Managing Director & CEO	Holds a Bachelor's degree in Business Management from Mangalore University and MBA in finance. Extensive experience in the financial services business of companies in Shriram Group, expert and in-depth knowledge and specialization in commercial vehicle financing, business development.

3	**Mrs. Kishori Jayendra Udeshi** Independent Director	Holds Master's degree in Economics from Bombay University. Wide experience in banking, non-banking sector, financial sector and regulatory matters. Retired as a Deputy Governor of Reserve Bank of India (RBI). Represented RBI on the core Principles Liaison Group and the Core Principles Working Group on Capital, of the Basel Committee on Banking Supervision. As Deputy Governor of RBI, she was on the Board of SEBI, NABARD, Exim Bank and was the Chairperson of Bharatiya Reserve Bank Note Mudran (Pvt.) Ltd., Bangalore as also Chairperson of the Deposit Insurance and Credit Guarantee Corporation. Director of the Security Printing & Minting Corporation of India Limited. from 28/2/2007 to 26/6/2013. She was also a member of the court of governors of the Administrative Staff College, Hyderabad. In 2013 the Government of India appointed her as a member Financial Sector Legislative Reforms Commission chaired by Justice Shri Krishna.
4	**Mr. Sridhar Srinivasan** Independent Director	Holds a degree from IIT-Delhi and Management Studies from Jamnalal Bajaj Institute. Wide and rich experience as Banker for more than four decades in Commercial and Development Banking. Retired as Chairman and Managing Director of Central Bank of India. An innovative, market oriented banker with about 46 years' experience in commercial and development banking of which more than 10 years as Executive Director/CEO at Board level. Strategic thinker having provided transformational leadership to the organisations worked for.
5	**Mr. Pradeep Kumar Panja** Independent Director	Holds Master's Degree in Science (Statistics) from the University of Madras. Rich experience in various areas of banking including corporate and international banking, treasury management, information technology, strategic planning, business development, risk management. Retired as Managing Director of State Bank of India, India's largest Bank and ranked 55th internationally. A Career banker with State Bank of India and gained about 4 decades of rich experience of which more than 5 years was at Board level. He had exposure to all facets of Banking including Risk Management, Corporate Governance principles and practices. Currently, Member of Banks Board Bureau constituted by GOI- one of the key roles is to advise the Banks on CG Practices.
6	**Mr. Puneet Bhatia** Non-Executive and Non-Independent Director	Holds a Bachelor's degree in Commerce and MBA from IIM – Calcutta. Wide experience in the field of finance and worked with one of the first private equity firm to invest in Asia as Managing Director and Country Head
7	**Mr. D. V. Ravi** Non-Executive and Non-Independent Director	Holds a Bachelor's degree in Commerce from University of Bangalore and Post-graduate degree in Management from the Institute of Rural Management, Anand. Wide experience in the areas of corporate strategy and services, corporate finance, IT and process activities of Shriram Group.
8	**Mr. Ignatius Michael Viljoen** Non-Executive and Non-Independent (w.e.f. May 14, 2019)	Holds a Master's degree in Economics with distinction from the University of the Free State, South Africa. Experience in credit risk and credit portfolio management across the various entities owned by the Sanlam Group outside of the Republic of South Africa.

The brief profiles of Directors are also available on the website of the Company **https://www.stfc.in/about-us/board-of-director/**

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board the independent directors fulfill the conditions as specified in the Listing Regulations and are independent of the management.

MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met on February 03, 2020 without the presence of Executive Directors or members of management. The meeting was attended by all the Independent Directors. In the meeting, the Independent Directors reviewed performance of Non-Independent Directors, Board as a whole, Chairman and every Independent Directors. The Directors were evaluated on parameters such as functioning of the Board, frequency of meetings of the board and committees of directors, level of participation of directors at the board and committee meetings, independence of judgments, performance of duties and obligations by directors, implementation of good corporate governance, safeguarding the interest of all other stakeholders. They assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The Independent Directors were highly satisfied with the overall functioning of the Board ,its various Committees and with the performance of other Executive and Non-Executive directors.

FAMILIARIZATION PROGRAMME

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the Company. In addition, the Company also updates on continuous basis to the Independent Directors about the ongoing events and developments relating to the Company, significant changes in regulatory environment and risk management framework through the Board/Committee meetings and separate familiarisation programme(s). During the Financial Year 2019-20 the Company had conducted 7 programmes / meetings and the time spent by Independent Directors was in the range of 5-7 hours. The cumulative programmes / meetings conducted till date were 33 and the time spent by Independent Directors was in the range of 27-29 hours. Pursuant to Regulation 46 of Listing Regulations the details of Familiarization Programme is uploaded on the Company's website at the web link: **https://bit.ly/30qWhR9**

POLICY FOR PROHIBITION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has adopted Prohibition of Insider Trading Code and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The Code also provides for pre-clearance of transactions by designated persons.

COMMITTEES OF DIRECTORS

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act 2013 ('the Act') and Regulation 18 read with Part C of the Schedule II of the Listing Regulations. All the members of the Committee have wide experience in fields of Banking & Finance, Accounts, Regulatory and Financial service industry.

Terms of reference

The terms of reference of the Audit Committee, inter alia includes:

1. Overseeing the financial reporting process.
2. To ensure proper disclosure in the Quarterly, Half yearly and Annual Financial Statements. To recommend appointment, re-appointment of auditors, fixing of their remuneration and approval of payment to auditors for any other services rendered by them.
3. Reviewing, with the management, the Financial Statements before submission to the Board.
4. Reviewing the adequacy of internal audit function.
5. Reviewing the findings of any internal examinations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
6. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
7. To discuss with the management, the senior internal audit executives and the auditor/s the Company's major risk exposures, guidelines and policies.
8. To review the functioning of the Whistle Blower Mechanism.
9. Approval of appointment of CFO (i.e., the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
10. Review and monitor the Auditor's independence, performance and effectiveness of audit process.
11. Approval or any subsequent modification of transactions of the Company with related parties and granting omnibus approval to related party transactions which are in the ordinary course of business and on an arm's length basis and to review and approve such transactions.

12. Scrutiny of inter-corporate loans and investments.
13. Valuation of undertakings or assets of the Company, wherever it is necessary.
14. To review the Financial Statements, in particular, the investments made by the Unlisted Subsidiary Company. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Company has an Internal Audit Department which is headed by a qualified Chartered Accountant, who is responsible for conducting independent Internal Audit. The Internal Auditor reports directly to the Audit Committee of the Board. The Committee also invites the representatives of strategic shareholder to attend the Audit Committee Meeting.

During the year under review, five meetings were held on May 08, 2019, July 18, 2019, July 24, 2019, October 24, 2019 and February 03, 2020. The maximum gap between any two meetings was not more than one hundred and twenty days. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Sridhar	Chairman	5
Mrs. Kishori Udeshi	Member	5
Mr. Pradeep Kumar Panja	Member	5
Mr. Puneet Bhatia	Member	2

The Company Secretary acts as the Secretary for the Audit Committee. The Statutory Auditors, Internal Auditor, the Managing Director & CEO, the Chief Financial Officer, the Head of Accounts Department of the Company and other invitees also attend the meeting.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) has been constituted by the Board as per the requirements of the provisions of Section 178 of the Act and Regulation 19 read with Part D of the Schedule II of the Listing Regulations.

Terms of reference

The terms of reference of the NRC, is uploaded on the Company's website at the weblink **https://bit.ly/2DQlAVb**.

During the year, the Committee met three times on April 03, 2019, May 08, 2019 and February 03, 2020. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mrs. Kishori Udeshi	Chairperson	3
Mr. S. Lakshminarayanan	Member	3
Mr. Pradeep Kumar Panja	Member	3
Mr. Puneet Bhatia	Member	2

CRITERIA FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The criteria and manner for evaluation of performance of Independent Directors provide certain parameters like commitment to the Company's vision, level of participation at Board/Committee Meeting, level of engagement and contribution, Independence of judgment, understanding duties, responsibilities, qualifications, disqualifications and liabilities as an independent director, up-to-date knowledge / information pertaining to business of the Company in which the Company is engaged in, implementation of good corporate governance practices, enhancing long term shareholders' value, professional approach, providing guidance and counsel to senior management in strategic matters and rendering independent and unbiased opinion at the meetings etc., review complaince reports on applicable laws, regulations and guidelines.

The Board completed the performance evaluation of directors as per requirement of law and made a few observations. The Independent directors fulfilled the requirement of independence as laid down in the Act and Listing Regulations and are independent of management.

REMUNERATION OF INDEPENDENT DIRECTORS

The Company is being benefited from the expertise, advice and inputs provided by the Independent Directors. The Independent Directors devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time. Independent Directors of the Company are paid sitting fees Rs. 50,000/-for every meeting of Board, Rs. 25,000/- for every Committee meeting and Rs 15,000/- for every meeting of Independent Directors attended by them. No sitting fees are paid to Non-Independent Directors. Equal commission is being paid to all Independent Directors. The shareholders of the Company in their 38th Annual General Meeting held on June 29, 2017 have approved payment of commission to Independent Directors subject to the statutory limits. The amount of commission for every financial year is decided by the Board of Directors.

REMUNERATION OF MANAGING DIRECTOR AND CEO:

Refer Remuneration Policy uploaded on the Company's website **https://bit.ly/2DQlAVb.**

The details of sitting fees/remuneration paid to the Directors during the year 2019- 2020 are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Meetings (Rs.)	Salary, Perquisites & ESOS (Rs.)	Commission (to be paid) (Rs.)	Total (Rs.)
1	Mr. S. Lakshminarayanan (Chairman)	4,15,000	-	7,50,000	**11,15,000**
2	Mr. Umesh Revankar (Managing Director and CEO)*	-	1,09,86,667	-	**1,09,86,667**
3	Mr. Puneet Bhatia	-	-	-	**-**
4	Mrs. Kishori Udeshi	6,65,000	-	7,50,000	**14,15,000**
5	Mr. Pradeep Kumar Panja	6,65,000	-	7,50,000	**14,15,000**
6	Mr. Gerrit Lodewyk Van Heerde (up to May 08, 2019)	-	-	-	**-**
7	Mr. Ignatius Michael Viljoen (w.e.f May 14, 2019)	-	-	-	**-**
8	Mr. Sridhar Srinivasan	5,65,000	-	7,50,000	**13,15,000**
9	Mr. D. V. Ravi	-	-	-	**-**
GST on sitting fees paid to the Directors (50% Portion)		2,07,900	-	-	**2,07,900**

Notes:

* For further details kindly refer paragraph titled 'Composition of Board' forming part of this report.

Mr. Umesh Revankar is appointed as the Managing Director and CEO of the Company for a period of 3 years with effect from October 26, 2016. His remuneration includes salary of Rs. 96,66,667, contribution to Provident Fund and NPS is Rs. 7,20,000 and Rs 6,00,000 respectively. The appointment may be terminated by giving three months' notice in writing or salary in lieu thereof. No severance fees are payable on termination of employment.

The Managing Director proposed to forego his annual increment in his salary for the Financial year 2020-21 and the variable pay in the light of COVID-19 led exigencies. His proposal was accepted by the NRC Committee. The annual increment of the Managing Director is decided by the NRC Committee and the Board of Directors based on the performance evaluation of the Managing Director. The performance of the Managing Director for the financial year ended 31st March 2020 was found as excellent by the Board of Directors.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The "Stakeholders' Relationship Committee" is constituted in line with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of Listing Regulations.

Terms of reference

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to attending and redressal of the grievances of the security holders of the Company.

The Committee in particular looks into:

1. To oversee and reviews redressal of shareholder and investor grievances, on matters relating to transfer / transmission of securities, non-receipt of annual report, non-receipt of declared dividends/interests.
2. To issue duplicate share/debenture certificate(s) reported lost, defaced or destroyed as per the laid down procedure and to resolve the grievances of security holders of the Company.
3. Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities.
4. Taking decision on waiver of requirement of obtaining the Succession Certificate/Probate of Will on case to case basis within the parameters set out by the Board of Directors.
5. To monitor transfer of the amounts/shares transferable to Investor Education and Protection Fund.
6. To list the securities of the Company on Stock Exchanges.
7. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholder of the Company.
10. Any other matters that can facilitate better investor services and relations.

During the year, the Committee met two times on May 08, 2019 and October 24, 2019. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Lakshminarayanan	Chairman	1
Mr. Umesh Revankar	Member	2
Mr. Pradeep Kumar Panja	Member	2

Note: Mr. Vivek Achwal, Company Secretary also acts as the Compliance Officer of the Company.

The status of security holders grievances is monitored by the Committee periodically and the minutes of the Committee are made available to the Board.

SECURITY HOLDERS COMPLAINTS:

Particulars	No. of Complaints		
	Equity	Fixed Deposit	Non-Convertible Debentures
Complaints pending as on April 1, 2019	1	Nil	Nil
Complaints received during the period April 01, 2019 to March 31,2020.	8	1	10
Complaints identified and reported under Regulation 13(3) of SEBI (LODR) Reg. 2015.	8	1	10
Complaints disposed of during the year ended March 31,2020.	9	1	10
Complaints unresolved as of March 31, 2020.	Nil	Nil	Nil

All the complaints received from investors were attended within 30 days. SEBI Complaints Redress System (SCORES) SEBI administers a centralised web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of online redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES within the stipulated period of receipt of the complaint. During the year, the Company received 16 investor complaints through SCORES, all of which were resolved within 30 days of their receipt.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee has been constituted in line with the provisions of Section 135 of the Act and the rules made thereunder. The Committee also monitors implementation of Business Responsibility Policy of the Company.

Terms of reference

The terms of reference of the CSR Committee broadly comprises of:

1. Formulating and recommending to the Board of Directors the CSR Policy and monitoring the same from time to time.
2. The Committee will review and evaluate the sustainability agenda, suggest modifications, discuss and recommend action plan to take the CSR activities forward.
3. CSR Committee will monitor the spend on CSR activities by the Company as well as ensure that the Company spends at least the minimum sum as may be prescribed from time to time pursuant to the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 or such higher sum as may be decided by the Board of Directors of the Company.
4. Review of Company's Business Responsibility Policy from time to time.
5. Approval of Business Responsibility Report for every financial year.
6. Any other matter as may be necessary for implementation of Business Responsibility Policy.

During the year under review, the Committee met three times on May 08, 2019 October 24, 2019 and January 28, 2020. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	3
Mr. S. Lakshminarayanan	Member	2
Mrs. Kishori Udeshi	Member	3
Mr. Puneet Bhatia	Member	1
Mr. Pradeep Kumar Panja	Member	3

RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted in line with the Regulation 21 of Listing Regulations as amended.

The terms of reference of the Risk Management Committee shall be as follows:

1. Review of Risk Management Policy.
2. Approval of Risk Management Plan, implementing and monitoring the Risk Management Plan.
3. Roll out and implementation of the Risk Management System.
4. Such other matters as may be delegated by Board from time to time.

During the year under review, the Committee met four times on May 17, 2019, October 24, 2019 and January 28, 2020 and March 30, 2020. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	4
Mr. D. V. Ravi	Member	3
Mr. S. Sridhar (w.e.f October 24, 2019)	Member	3
Mr. S. Sunder	Member	3

ASSET LIABILITY MANAGEMENT COMMITTEE

Terms of reference

The terms of reference of Asset Liability Management Committee (ALM) are as follows:

The ALM Committee is responsible for assisting the Board of Directors in Balance Sheet planning from risk-return perspective including the strategic management of interest and liquidity risk. Its function includes –

1. Liquidity risk management.
2. Management of market risks.
3. Funding and capital planning.
4. Profit planning and growth projection.
5. Forecasting and analysing future business, environment and preparation of contingency plans.

During the year under review, the Committee met four times on April 26, 2019, July 24, 2019, October 24, 2019 and February 03, 2020. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	4
Mrs. Kishori Udeshi	Member	3
Mr. Parag Sharma	Member	4

BANKING AND FINANCE COMMITTEE

The Banking and Finance Committee has been formed to monitor resource mobilisation and to ensure efficient and timely decisions on the matters relating to Banking and Finance activities of our Company.

Terms of reference

The terms of reference of the Banking and Finance Committee comprises of:

1. Opening, operating and closing of Bank Accounts.
2. Issuance of Non-Convertible Debentures/Subordinated Debentures on Private Placement basis.
3. Issuance of Commercial Paper.
4. Borrowing of money from Bank, Financial Institutions etc. and proving Bank Guarantee.
5. Securitization of receivables by way of sell down through PTC/ Direct Assignment.
6. Availing and giving Inter Corporate Deposit.
7. Availing Foreign Currency Term Loan, FCNR (B).
8. Investment of Surplus funds in Fixed Deposit for Short Term/ Mutual Funds etc.
9. Monitoring asset coverage of the loan and issuance of NOC and release of security.
10. Give confirmation to Bank in respect of loans availed through Acknowledgement of Debt.
11. Apply for any license/Affiliation for business purpose.
12. Entering into Service Provider Agreement for Electronic Toll collection programme.
13. To authorise official of the Company to appear on behalf of the Company before various regulatory and law enforcing authorities/government department/local administration or authority/market intermediaries under applicable laws, rules and regulations and submit documents undertaking, affidavits, papers etc.
14. To authorize official of the Company to sign various agreements in connection with purchase/sale registration of property etc.
15. Fixing Record Date for payment of monthly, half yearly and annual Interest and redemption of Debentures/Bonds/ Notes.
16. Revision in Terms and Conditions including interest rates of Fixed Deposit Scheme;
17. Availing 'Corporate Internet Banking', Payment & Collection Services, online viewing facility, E-commerce –payment gateway Merchant Account from Banks.
18. Authorization to procure Digital Signature Certificates from e Mudhra Limited/NSEIT Limited.
19. Authorization to create the Login ID with CERSAI (Central Registry of Securitisation Asset Reconstruction and Security Interest of India).
20. To give approval/authorization for the matters required for day to day management of the affairs of the Company.

The Committee meets regularly to discharge its functions. During the year under review, the Committee met 83 times. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	75
Mr. Parag Sharma	Member	79
Mr. S. Sunder	Member	77

IT Strategy Committee

Terms of reference

The terms of reference of the IT Strategy Committee shall include:

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;

3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
5. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls,
6. Any other role and responsibility as per the directions of RBI issued from time to time.

During the year under review, the Committee met two times on July 08, 2019 and January 3, 2020. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Sridhar	Chairman	2
Mr. Umesh Revankar	Member	2
Mr. Gayadhar Behera	Member	2
Mr. Balasundar Rao	Member	2

GENERAL BODY MEETING

(i) Annual General Meeting (AGM):

Details of the last three Annual General Meetings (AGM) and Special Resolutions passed thereat are given below:

Year	AGM	Location	Date & Time	Details of Special Resolutions passed
2016-17	38th AGM	Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai - 600 018	June 29, 2017 at 11.00 A.M	(i) To borrow monies for the purpose of the business of Company under Section 180(1)(c) and other applicable provisions, if any, of the Act, (ii) Creation of security in connection with borrowings under Section 180(1)(a) and other applicable provisions, if any, of the Act and (iii) Issue of Non-Convertible Debentures under Section 42 of the Act on private placement basis.
2017-18	39th AGM	Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai - 600 018	July 26, 2018 at 11.00 A.M	There were no Special Resolutions passed at the 39th AGM.
2018-19	40th AGM	Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai - 600 018	June 27, 2019 at 10.30 A.M	(i) To re-appoint Mr. S. Lakshminarayanan (DIN 02808698) as an Independent Director of the Company for a second term of five consecutive years commencing from January 24, 2020 to January 23, 2025 and (ii) To re-appoint Mr. S. Sridhar (DIN 00004272) as an Independent Director of the Company for a second term of five consecutive years commencing from October 20, 2019 to October 19, 2024.

At the ensuing 41st AGM to be held on Wednesday August 19, 2020, three special resolutions are proposed namely, (i) to enhance the limit to sell/ assign/ securitize receivables, (ii) to approve conversion of loan into equity or other capital of the Company in case of Event of Default and (iii) to authorize capital raising through issuance of Equity Shares and/or other Eligible Securities.

Postal Ballot

The Company had passed three special resolutions through postal ballot notice dated May 08, 2019 namely:

(i) Enhancement of limits of borrowing by the Board pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013,

(ii) Enhancement of limits for creation of security by the Board in connection with borrowing pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and

(iii) Renewal of limit to issue debentures on private placement basis by the Board pursuant to Section 42, Section 71 and other applicable provisions of the Companies Act, 2013.

The Board of Directors on May 08, 2019 had appointed Mr. P. Sriram (Membership No. FCS 4862), a Practicing Company Secretary (PCS No. 3310), Chennai as the scrutinizer to scrutinize the E-voting/Postal Ballot process in a fair and transparent manner. The results were declared on June 13, 2019. The details of voting pattern of the Special Resolution passed through Postal Ballot:

(i) Enhancement of limits of borrowing by the Board:

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	177518267	175380508	98.79	2137759	1.20
Votes cast through Physical Mode	17144	17144	0.01	0	0.00
Total	**177535411**	**175397652**	**98.80**	**2137759**	**1.20**

Special Resolution was passed by shareholders with requisite majority.

(ii) Enhancement of limits for creation of security by the Board in connection with borrowing:

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	177518267	175380507	98.79	2137760	1.20
Votes cast through Physical Mode	17144	17144	0.01	0	0.00
Total	**177535411**	**175397651**	**98.80**	**2137760**	**1.20**

Special Resolution was passed by shareholders with requisite majority.

(iii) Renewal of limit to issue debentures on private placement basis by the Board

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	177518267	175380506	98.79	2137761	1.20
Votes cast through Physical Mode	17769	17769	0.01	0	0.00
Total	**177536036**	**175398275**	**98.80**	**2137761**	**1.20**

Special Resolution was passed by shareholders with requisite majority.

The procedure for Postal Ballot /electronic voting (e-voting) for aforesaid special resolutions are mentioned in the said postal ballot notice.

SHARE CAPITAL AUDIT

The Share Capital Audit as required under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, read with SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated December 31, 2002 and SEBI Circular No. CIR/MRD/ DP/30/2010, a Qualified Practicing Company Secretary carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. This audit is carried out every quarter and the reconciliation of share capital audit report thereon is submitted to the Stock Exchanges and to the Board of Directors.

CERTIFICATION BY MANAGING DIRECTOR AND CEO AND CHIEF FINANCIAL OFFICER

In terms of Listing Regulations, the certification by the Managing Director and CEO and the Chief Financial Officer is annexed to this Annual Report.

MEANS OF COMMUNICATION

The Board recognizes the importance of two-way communication with shareholders and giving a report of results and progress and responding to questions and issues raised in a timely and consistent manner. The Company follows a robust process of communicating with its investors the Audited financial results, the quarterly results and half yearly results of the Company are published in English (Business Standard) and Tamil newspaper (Makkal Kural). Press release is also given in the leading newspapers upto date financial results, press releases, quarterly investor updates/ presentations and presentations made to institutional investors, investors/earning conference calls or to the analysts, official news releases and other general information about the Company are also available on the Company's website https://bit.ly/39mGsPO The aforesaid financial results are disseminated to the Stock Exchanges within thirty minutes from the close of the Board meetings at which these are considered and approved. Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form. The annual report and quarterly financial results has been sent in electronic form to shareholders, who have registered their email ids. In view of the prevailing COVID-19 situation and consequent lockdown across the country, the Ministry of Corporate Affairs (MCA) has exempted companies from circulation of physical copies of Annual Report for year ended March 31, 2020. Our Company does online filing with National Stock Exchange of India Ltd (NSE) and BSE Limited (BSE) through web based application: NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre.

The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations including material information having a bearing on the performance / operations of the Company or other price sensitive information.

The Board of Directors has approved a policy for determining materiality of events and a team comprising of Senior Managerial Personnel for the purpose of determining materiality of an event or information and making disclosures to Stock Exchanges.

GENERAL SHAREHOLDER INFORMATION

41ST Annual General Meeting

Particulars	**As on March 31, 2020**
a. Day and Date	Wednesday, August 19, 2020
b. Time	3.30 p.m. (IST)
c. Venue	The Company is conducting meeting through video conferencing(VC)/other audio visual means(OAVM)pursuant to the MCA circular. For details please refer to the Notice of 41st AGM.
d. Financial Year	2019-2020
e. Dividend Payment Date	An Interim Dividend of 50% was declared by the Board of Directors at its meeting held on October 24, 2019 and the payments thereof were effected on November 19, 2019. The Board of Directors have not recommended the final dividend as such, the interim dividend shall be the final dividend for the Financial Year 2019-20.
f. The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	**BSE Limited** P J Towers, Dalal Street, Mumbai – 400 001. **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai – 400 051 The Company has paid the annual listing and custodian fees for the financial year 2020 – 2021 to the Stock Exchanges and Depositories.
g. Stock Code	
BSE Limited	511218
National Stock Exchange of India Limited	SRTRANSFIN
Singapore Exchange Securities Trading Limited	Masala Bonds (Regulation S)- XS1789364418 XS1789617484. USD Bonds - XS1953982086 (Regulation S), US825547AA08 (Rule 144A), USY7758EEC13 (Regulation S), Social Bonds - US825547AC63 (Rule 144A), USY7758EEF44 (Regulation S)
Demat ISIN in NSDL & CDSL	INE721A01013

The Company's Non-Convertible Debentures (NCDs) offered for subscription to public under the Prospectus dated September 23, 2013, Shelf Prospectus & Tranche I Prospectus both dated June 24, 2014, Shelf Prospectus dated June 22, 2018 in tranches vide Tranche I Prospectus dated June 25, 2018, Tranche II Prospectus dated October 8, 2018 Tranche III Prospectus dated December 27, 2018 , Shelf Prospectus dated July 09 ,2019 & Tranche I Prospectus dated July 12,2019 and Tranche II Prospectus dated December 26,2019 are listed on NSE and BSE. The ISIN details for these NCDs are as under:

Security Description	**ISIN**	**Codes in Stock Exchanges**	**Coupon (%) p.a.**	**Coupon Duration and Interest Payable**	**Date of Allotment**	**Maturity Dates**
NCDs 6 - September 2013						
Secured NCDs (Series III)	INE721A07GT7	BSE – 934917 NSE – Y3	($$) 10.75% p.a.	ANNUAL	24/10/2013	24/10/2020
Secured NCDs (Series VI)	INE721A07GW1	BSE – 934920 NSE – Y6	NA	(*@@@)	24/10/2013	24/10/2020

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
NCDs 7 - June 2014						
Secured NCDs (Series III)	INE721A07HJ6	BSE – 935132 NSE – Y9	(**) (@@) (~~) 10.15% p.a.	ANNUAL	15/07/2014	15/07/2021
Secured NCDs (Series V)	INE721A07HL2	BSE – 935136 NSE – YB	(**) (&&&) ($$$) (^^^) 9.71% p.a.	MONTHLY	15/07/2014	15/07/2021
Secured NCDs (Series VIII)	INE721A07HO6	BSE – 935142 NSE – YG	NA	(@###)	15/07/2014	15/07/2021
NCD 8 - Tranche 1 (June 2018)						
Secured NCDs (Series I)	INE721A07NT3	BSE - 936228 NSE – YH	(**) (AI##) 8.93% p. a.	MONTHLY	12/07/2018	12/07/2023
Secured NCDs (Series II)	INE721A07NU1	BSE - 936230 NSE – YI	(**) (AI##) 9.03% p. a.	MONTHLY	12/07/2018	12/07/2028
Secured NCDs (Series III)	INE721A07NV9	BSE - 936232 NSE – YJ	(**) (AI##) 9.10% p. a.	ANNUAL	12/07/2018	12/07/2021
Secured NCDs (Series IV)	INE721A07NW7	BSE - 936234 NSE – YK	(**) (AI##) 9.30% p. a.	ANNUAL	12/07/2018	12/07/2023
Secured NCDs (Series V)	INE721A07NX5	BSE - 936236 NSE – YL	(**) (AI##) 9.40% p. a.	ANNUAL	12/07/2018	12/07/2028
Secured NCDs (Series VI)	INE721A07NY3	BSE - 936238 NSE – YM	NA Cumulative	(*@#)	12/07/2018	12/07/2021
Secured NCDs (Series VII)	INE721A07NZ0	BSE - 936240 NSE – YN	NA Cumulative	(*@##)	12/07/2018	12/07/2023
NCD 8 - Tranche 2 (October 2018)						
Secured NCDs (Series I)	INE721A07OB9	BSE - 936324 NSE - YO	(**) 9.12% p. a.	MONTHLY	02/11/2018	02/11/2023
Secured NCDs (Series II)	INE721A07OC7	BSE - 936326 NSE - YP	(**) 9.30% p. a	MONTHLY	02/11/2018	02/11/2028
NCDs (Series III)	INE721A07OD5	BSE - 936328 NSE - YQ	(**) 9.40% p. a	ANNUAL	02/11/2018	02/11/2021
Secured NCDs (Series IV)	INE721A07OE3	BSE - 936330 NSE - YR	(**) 9.50% p. a	ANNUAL	02/11/2018	02/11/2023
Secured NCDs (Series V)	INE721A07OF0	BSE - 936332 NSE - YS	(**) 9.70% p. a	ANNUAL	02/11/2018	02/11/2028
Secured NCDs (Series VI)	INE721A07OG8	BSE - 936334 NSE - YT	NA Cumulative	(RM##) (SC****)	02/11/2018	02/11/2021
Secured NCDs (Series VII)	INE721A07OH6	BSE - 936336 NSE - YU	NA Cumulative	(RM##) (SC****)	02/11/2018	02/11/2023
NCD 8 - Tranche 3 (December 2018)						
Secured NCDs (Series I)	INE721A07OM6	BSE - 936452 NSE – YV	(**) 9.12% p.a.	MONTHLY	06/02/2019	06/02/2024
Secured NCDs (Series II)	INE721A07ON4	BSE - 936454 NSE – YW	(**) 9.30% p.a.	MONTHLY	06/02/2019	06/02/2029
Secured NCDs (Series III)	INE721A07OO2	BSE - 936456 NSE – YX	(**) 9.40% p. a.	ANNUAL	06/02/2019	06/02/2022
Secured NCDs (Series IV)	INE721A07OP9	BSE - 936458 NSE – YY	(**) 9.50% p. a.	ANNUAL	06/02/2019	06/02/2024
Secured NCDs (Series V)	INE721A07OQ7	BSE - 936460 NSE – YZ	(**) 9.70% p. a.	ANNUAL	06/02/2019	06/02/2029
Secured NCDs (Series VI)	INE721A07OR5	BSE - 936462 NSE - Z1	NA Cumulative	(RM##) (SC****)	06/02/2019	06/02/2022

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
Secured NCDs (Series VII)	INE721A07OS3	BSE - 936464 NSE - Z2	NA Cumulative	(RM##) (SC****)	06/02/2019	06/02/2024
NCD 9 - Tranche 1 (July 2019)						
Secured NCDs (Series I)	INE721A07OY1	BSE – 936780 NSE - Z3	(**) 9.12% p. a.	MONTHLY	22/08/2019	22/02/2023
Secured NCDs (Series II)	INE721A07OZ8	BSE – 936782 NSE – Z4	(**) 9.22% p.a.	MONTHLY	22/08/2019	22/08/2024
Secured NCDs (Series III)	INE721A07PA8	BSE – 936784 NSE – Z5	(**) 9.31% p.a.	MONTHLY	22/08/2019	22/08/2026
Secured NCDs (Series IV)	INE721A07PB6	BSE – 936786 NSE – Z6	(**) 9.30% p.a.	ANNUAL	22/08/2019	22/02/2022
Secured NCDs (Series V)	INE721A07PC4	BSE – 936788 NSE – Z7	(**) 9.50% p.a.	ANNUAL	22/08/2019	22/02/2023
Secured NCDs (Series VI)	INE721A07PD2	BSE – 936790 NSE – Z8	(**) 9.60% p.a.	ANNUAL	22/08/2019	22/08/2024
Secured NCDs (Series VII)	INE721A07PE0	BSE - 936792 NSE – Z9	(**)9.70% p.a.	ANNUAL	22/08/2019	22/08/2026
Secured NCDs (Series VIII)	INE721A07PF7	BSE - 936794 NSE - ZA	NA Cumulative	(RM%) (SC%)	22/08/2019	22/02/2023
Secured NCDs (Series IX)	INE721A07PG5	BSE – 936796 NSE – ZB	NA Cumulative	(RM%) (SC%)	22/08/2019	22/08/2024
Secured NCDs (Series X)	INE721A07PH3	BSE – 936798 NSE – ZC	NA Cumulative	(RM%) (SC%)	22/08/2019	22/08/2026
NCD 9 - Tranche 2 (December 2019)						
Secured NCDs (Series I)	INE721A07PI1	BSE – 937061 NSE – ZD	(**) 8.52% p. a.	MONTHLY	28/01/2020	28/01/2023
Secured NCDs (Series II)	INE721A07PJ9	BSE – 937063 NSE – ZE	(**) 8.66% p.a.	MONTHLY	28/01/2020	28/01/2025
Secured NCDs (Series III)	INE721A07PK7	BSE – 937065 NSE – ZF	(**) 8.75% p.a.	MONTHLY	28/01/2020	28/01/2027
Secured NCDs (Series IV)	INE721A07PL5	BSE – 937067 NSE – ZG	(**) 8.85% p.a.	ANNUAL	28/01/2020	28/01/2023
Secured NCDs (Series V)	INE721A07PM3	BSE – 937069 NSE – ZH	(**) 9.00% p.a.	ANNUAL	28/01/2020	28/01/2025
Secured NCDs (Series VI)	INE721A07PN1	BSE – 937071 NSE – ZI	(**) 9.10% p.a.	ANNUAL	28/01/2020	28/01/2027
Secured NCDs (Series VII)	INE721A07PO9	BSE – 937073 NSE – ZJ	NA Cumulative	(RM%%) (SC%%)	28/01/2020	28/01/2023
Secured NCDs (Series VIII)	INE721A07PP6	BSE – 937075 NSE – ZK	NA Cumulative	(RM%%) (SC%%)	28/01/2020	28/01/2025

Note:

1. ($$) – NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 1.00% per annum for NCDs held on any Record Date.
2. (*@@) - Subject to applicability of tax deducted at source the NCD Holders who are Individuals will be redeemed for an amount of Rs. 1,723.87 per NCDs and the NCD Holders who are Non-Individuals will be redeemed for an amount of Rs.1,666.63 per NCDs.
3. (*@@@) - Subject to applicability of tax deducted at source the NCD Holders who are Individuals will be redeemed for an amount of Rs.2,177.70 per NCDs and the NCD Holders who are Non-Individuals will be redeemed for an amount of Rs.2,044.79 per NCDs.
4. (~~) - NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 1.35% per annum for NCDs held on any Record Date for the amount outstanding.
5. (^^^) - NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 1.23% per annum for NCDs held on any Record Date for the amount outstanding and NCD Holders who are Non- Individuals on any Record Date the interest will be calculated on coupon @ 9.71% per annum for the amount outstanding.

6. (**) - Senior Citizens (only First Allottee) shall be entitled to an additional yield at the rate of 0.25 % per annum.
7. (@@) – subject to applicable tax deducted at source, if any.
8. (&&&) – For Series V, Senior citizens (only First Allottee) will get a coupon of 11.17% per annum payable monthly.
9. ($$$) – Monthly Option shall be available only to Individuals applying for Allotment of NCDs in demat form only.
10. (@###) - Subject to applicability of tax deducted at source the NCD Holders who are Individuals will be redeemed for an amount of Rs. 2,143.79 per NCDs, the NCD Holders who are Non-Individuals will be redeemed for an amount of Rs. 1,968.44 per NCDs and the NCD Holders who are Senior Citizens (only First Allottee) will be redeemed for an amount of Rs. 2,177.70 per NCDs at the end of the 84 months from the Date of Allotment.
11. (AI##) - Additional incentive of 0.10% available to Category III and IV investors provided the NCDs issued under the Tranche -1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date applicable for payment of coupon.
12. (*@#) - For NCD Holders who fall under Category-I and / or Category II on the record date the amount payable on redemption for NCDs will be Rs.1,298.91 per NCD. For NCD holders who fall under Category III and / or Category IV on the record date the amount payable on redemption for NCDs will be Rs.1,302.49 per NCD.
13. (*@##)- For NCD Holders who fall under Category I and/or Category II on the record date the amount payable on redemption for NCDs will be Rs.1,560.30 per NCD. For NCD holders who fall under Category III and/or Category IV on the record date the amount payable on redemption for NCDs will be Rs. 1567.45 per NCD.
14. (SC****) - The amount payable on redemption to such Senior Citizens for NCDs under Series VI and Series VII is Rs. 1,318.67 and Rs. 1,592.70 per NCD respectively provided the NCDs issued under the NCD 8 Tranche 3 are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Payment date for Series VI and Series VII.
15. (RM##) - The amount payable on redemption for NCDs under Series - VI and Series - VII are Rs. 1309.66 per NCD and Rs.1,574.63 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series VI and Series VII.
16. (RM%) - The amount payable on redemption for NCDs under Series - VIII , Series IX and Series X are Rs. 1,374.75 per NCD, Rs. 1,582.25 per NCD and Rs. 1,912.80 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series VIII, Series IX and Series X.
17. (SC%) - The amount payable on redemption to such Senior Citizens for NCDs under Series VIII, Series IX and Series X is Rs. 1,385.80 per NCD, Rs. 1,600.40 per NCD and Rs. 1,943.55 per NCD respectively provided the NCDs issued under the NCD 9 Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Date for the Series VIII, Series IX and Series X.
18. (RM%%) - The amount payable on redemption for NCDs under Series – VII and Series VII are Rs. 1289.99 per NCD and Rs. 1,539.35 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series VII and Series VIII.
19. (SC%%) - The amount payable on redemption to such Senior Citizens for NCDs under Series VII and Series VIII is Rs. 1,298.91 and Rs. 1,557.11 per NCD respectively provided the NCDs issued under the NCD 9 Tranche 2 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Date for the Series VII and Series VIII.

Wherever redemption payment due date falls on a nonworking day, then the Company will make the payment on the previous working day and wherever NCDs interest payment due date falls on a non-working day, then the Company will make the payment on the next working day

DIVIDEND DISTRIBUTION POLICY

The dividend distribution policy of the Company is enclosed. The same is also available on the website for Details click on web link **https://bit.ly/2WzNefE.**

GENERAL SHAREHOLDER INFORMATION

f. Stock Market

The high and low market price and volume of shares traded during each month of the financial year ended March 31, 20 20 are given below:

Months	BSE Limited			National Stock Exchange of India Limited		
	Share Prices		Volume	Share Prices		Volume
	High (Rs.)	Low (Rs.)	(No. of Shares)	High (Rs.)	Low (Rs.)	(No. of Shares)
April 2019	1287.00	1085.15	627501	1290.00	1086.00	18944981
May 2019	1217.30	981.35	1167581	1217.95	980.30	29347730
June 2019	1191.300	1006.25	3838035	1191.80	1000.00	70619243
July 2019	1104.65	909.25	1855622	1104.95	909.05	45718998
August 2019	1075.30	942.70	1484872	1065.00	942.50	26807603
September 2019	1199.45	936.05	927651	1199.65	935.80	21399207
October 2019	1188.65	1011.00	721611	1189.50	1009.10	20901875
November 2019	1182.30	1106.00	735406	1181.55	1105.15	16753881
December 2019	1189.35	1061.55	504819	1189.50	1062.00	16564855
January 2020	1213.60	1017.20	1024837	1213.40	1016.65	21868821
February 2020	1366.90	967.00	2664022	1367.00	965.55	57445932
March 2020	1328.00	440.00	3326201	1358.15	440.00	69950261

STFC Share Price performance in comparison to BSE Sensex and S & P CNX Nifty

g. No equity shares are suspended from trading during the Financial Year 2019 - 2020.

h. Registrar to an issue and Share Transfer Agents

The Registrar and Share Transfer Agents of the Company are:

Integrated Registry Management Services Private Limited

2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017

Ph: 044 - 2814 0801 - 03 Fax no: 044 – 28142479

Email: **anusha@integratedindia.in** Website: **www.integratedindia.in**

i. Note Trustee for Masala Bonds

(a) The Hongkong and Shanghai Banking Corporation Limited, Level 30, 1 Queen's Road Central, Hong Kong and

(b) Axis Trustee Services Limited, The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai – 400028.

j. Share Transfer System:

The authority to approve share transfers has been delegated by the Board of Directors to the Securities Transfer Committee (STC). Shares sent for transfer in physical form are registered and returned by our Registrar & Share Transfer Agent in fifteen days of receipt of documents, provided the documents are found to be in order. The STC considers the transfer proposals generally on a weekly basis.

k. Distribution of shareholding as on March 31, 2020

Sr. No	No. of Equity Shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholding
1	1 - 500	52977	90.46	4285868	1.89
2	501 - 1000	3120	5.33	2309616	1.02
3	1001 - 2000	1104	1.89	1565894	0.69
4	2001 - 3000	325	0.56	803166	0.35
5	3001 - 4000	120	0.2	419399	0.18
6	4001 - 5000	105	0.18	476812	0.21
7	5001 - 10000	181	0.31	1306758	0.58
8	10001 and above	629	1.07	215715223	95.08
	Total	**58561**	**100**	**226882736**	**100**

l. Categories of shareholders as on March 31, 2020

Sr. No.	Category	Total	
		No.of Shares held	% of shareholding
1	Promoters *	59554984	26.25%
2	Bank	344	0.00%
3	Bodies Corporate	657296	0.29%
4	Foreign Portfolio Investor 1&2	146693422	64.66%
5	Clearing Member	979601	0.43%
6	Association of Persons	115	0.00%
7	Fi-Others	14639	0.01%
8	Limited Liability Partnership	44934	0.02%
9	Mutual Fund	3971231	1.75%
10	Fi-Government Sponsored	500000	0.22%
11	NRI	305241	0.13%
12	Resident Indian & HUF	11077882	4.87%
13	Trusts	398221	0.18%
14	NBFCs	110	0.00%
15	Insurance Company	1420553	0.63%
16	Unclaimed Securities Suspense	76690	0.03%
17	Alternate Investment Fund	221650	0.10%
18	IEPF Authority	965823	0.43%
	Grand Total	**226882736**	**100.00%**

*On June 27, 2019 and on June 28, 2019, our Promoter acquired an aggregate number of 331,924 Equity Shares in the Company and Shriram Financial Ventures (Chennai) Private Limited, a company forming part of the promoter group, acquired an aggregate number of 50,037 Equity Shares in the Company. Post such acquisition, SCL holds 59,504,947 Equity Shares in the Company aggregating 26.23% of the paid-up capital and Shriram Financial Ventures (Chennai) Private Limited holds 50,037 Equity Shares in the Company aggregating 0.02% of the paid-up capital.

m. Dematerialization of shares and liquidity

The Company's scrip forms part of the compulsory Demat segment for all investors effective from July 24, 2000. To facilitate the investors in having an easy access to the demat system, the Company has signed up with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through Integrated Registry Management Services Private Limited. As on March 31, 2020, the total of 224403752 equity shares constituting 98. 91 % of the paid up capital, have been dematerialized.

n. The Company has not issued any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity.

o. Commodity price risk or foreign exchange risk and hedging activities: Commodity price risk :Not Applicable. The Company has fully hedged its foreign exchange risks associated with External Commercial Borrowings through issue of senior secured notes / bonds in the offshore market under GMTN Program and Loans through various dervivaties/hedging products.

p. Locations

List of branches are mentioned in the "Our Reach" Section on page no. 7 in the Annual Report.

q. Address for correspondence & Registered Office:

Registered Office:

Mookambika Complex, 3rd Floor, No.4, Lady Desika Road, Mylapore, Chennai – 600 004, Tamil Nadu, India. Tel.: 91-44-24990356 Fax: 91-44-24993272

Corporate Office:

Wockhardt Towers, Level-3, West Wing, C-2, G-Block, Bandra- Kurla Complex, Bandra - (East), Mumbai - 400 051. Phone: 91-22 - 40959595, Fax: 91-22 - 40959597, Website: **www.stfc.in**

Email ID for Investor Grievance:

The following email ID has been designated for communicating investors' grievances.

- For Equity Shares related queries/complaints: secretarial@stfc.in
- For Public Issue of Non-Convertible Debentures 2013- Prospectus related queries/complaints: **stfcncd6comp@stfc.in**
- For Public Issue of Non-Convertible Debentures 2014- Prospectus related queries/complaints: **stfcncd7comp@stfc.in**
- For Public Issue of Non-Convertible Debentures 2018 Shelf and Tranche 1 Prospectus- related queries/complaints: **stfcncd8comp@stfc.in**
- For Public Issue of Non-Convertible Debentures 2018 Tranche II Prospectus - related queries/complaints: **stfcncd8t2comp@stfc.in**

  For Public Issue of Non-Convertible Debentures 2018 Tranche III Prospectus- related queries/complaints: **stfcncd8t3comp@stfc.in**

  For Public Issue of Non-Convertible Debentures 2019 Tranche I Prospectus- related queries/complaints: **stfcncd9t1comp@stfc.in**

  For Public Issue of Non-Convertible Debentures 2019 Tranche II Prospectus- related queries/complaints: **stfcncd9t2comp@stfc.in**

The aforesaid email ids has been displayed on the Company's website

r. The list of all credit ratings for all debt instruments, fixed deposit, masala bonds, U.S. Dollar senior secured notes for details refer page no. 22 in the Directors' Report.

s. Other Disclosures

(A) There are no materially significant Related Party Transactions (RPTs) with the Company's Promoters, Directors, Key Managerial Personnel or their relatives, which may have potential conflict with the interests of the Company at large. Disclosures on transactions with related parties, as required under the Indian Accounting Standard 24, have been incorporated in the Notes to the Accounts. The statement of RPTs is placed before the Audit Committee and the Board on quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature. The Policy on Materiality of RPTs and dealing with RPTs as approved by the Board is uploaded on the Company's website at the web link : **https://bit.ly/2CIhkGS**

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission to Independent Directors. The details of the transactions with Related Party are provided in the notes to the Financial Statements.

(B) There were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Stock Exchanges and SEBI, or any statutory authority on any matter related to capital markets during the last three years.

(C) The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulations ensures standards of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website at the web link of **https://bit.ly/3eH0jde**

(D) Details of compliance with Mandatory requirements and adoption of non-mandatory requirements

1. The Company has complied with all the applicable mandatory requirements of the Listing Regulations.
2. The Company has also adopted the non-mandatory requirement as specified in the Listing Regulations regarding unmodified Financial Statements, separate posts of Chairperson and Chief Executive Officer and Reporting of Internal Auditor.

(E) The Company does not have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. However, the Company has framed the Policy on Material Subsidiaries and the same is uploaded on the Company's website at the web link: **https://bit.ly/2WAS5xo**

(F) The policy on dealing with related party disclosures is uploaded on the Company's website at the web link of **https://bit.ly/2ZG5g20**

(G) The disclosure of commodity price risks and commodity hedging activities: Not applicable.

(H) The Company has not raised funds through preferential allotment or qualified institutions placement under Regulation 32(7A).

(I) Pursuant to Schedule V Para C clause (10)(i) of the Listing Regulations, the Company has obtained certificate from Martinho Ferrao & Associates practicing company secretary confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report as Annexure A

(J) In the financial year 2019 - 2020 the board has accepted all recommendations of its committees.

(K) The Company has paid all fees on a consolidated basis for all services rendered by statutory auditor.

The details of total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditors is a part, are as follows -

Particulars	Amount (Rs. in Lacs)
Statutory Audit Fees	88.00
Tax Audit Fees	9.00
Others	96.47(*)
Total	**196.47**

(*)Including 50% GST portion

(L) The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, for details refer Directors' Report.

(M) The Company has complied all the requirement of corporate governance report as contained in Clause C (2) to (10) of Schedule V read with Regulation 34(3) of Listing Regulations.

(N) The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 17(5) of the Listing Regulations. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Managing Director & CEO. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also uploaded on the Company's website at the web link of **https://bit.ly/32Ay3qD**

t. Equity Shares in the Suspense Account

As required under Schedule V of Listing Regulations. The Company has opened "STFC – Unclaimed Suspense Account" with the Depository Participants for the purpose of transferring unclaimed equity shares held in physical form. The Company will transfer the shares lying unclaimed to the eligible shareholders as and when the request for the same has been received after proper verification. As on March 31, 2020 there were 76690 unclaimed equity shares in the Unclaimed Suspense Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on April 01, 2019.	277	88570
Number of Shareholders / legal heirs who approached the Company for transfer of shares from the Unclaimed Suspense Account, for the period from April 01, 2019 to March 31, 2020.	13	5630
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents, for the period from April 01, 2019 to March 31, 2020.	13	5630
Number of Shareholders / legal heirs of whom the shares were transferred from the Unclaimed Suspense Account to Investor Education and Protection Fund Authority pursuant to the Government of India Gazette notification No. REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by Ministry of Corporate Affairs (MCA), April 01, 2019 to March 31, 2020.	20	6250
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on March 31, 2020.	244	76690

The Company had complied all the disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of Listing Regulations (relating to disclosure on the website of the Company)

DIVIDEND DISTRIBUTION POLICY

Preamble

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs.

The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all shareholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors (Board) will refer to the policy while declaring/ recommending dividends. Through this policy, the Company would endeavour fairness, consistency and sustainability while distributing profits to the shareholders.

This policy also stipulates the process for recommendation/ declaration of dividend and its pay-out by the Company in accordance with the provisions of the Companies Act,2013 (the Companies Act) and other rules, regulations etc. as applicable to the Company.

Class of Shares

The Company has issued only Equity Shares and no Preference shares issued by the Company are outstanding.

Category of Dividends

The Companies Act provides for two forms of Dividend- Final and Interim. The Board shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit. Normally, the Board will endeavour to declare an interim dividend after finalization of quarterly financial accounts. The Board may declare interim dividend based on profits of the Company, one or more times in a financial year as and when considered appropriate, in line with this policy.

After the annual accounts are prepared, the Board may recommend final dividend to the shareholders for their approval in the General Meeting of the Company. In the event the Board declares more than one interim dividend in a financial year, the Board may recommend to the shareholder to treat the last interim dividend as a final Dividend.

Recommendation / Declaration of Dividend

Subject to the provisions of the Companies Act, the Board shall recommend/declare/ pay the Dividend only out of-

i. Current financial year's profit:
   a) after providing for depreciation in accordance with law;
   b) after transferring to reserves such amount as may be prescribed under the Companies Act or applicable law, regulations, norms or as may be otherwise considered appropriate by the Board at its discretion.

ii. The profits for any previous financial year(s):
   a) after providing for depreciation in accordance with law;
   b) remaining undistributed; or

iii. out of (i) &(ii) both.

iv. out of free reserves in the manner permissible under the Companies Act.

Factors to be considered while declaring Dividend

The decision regarding dividend is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding dividend is subject to several factors and hence any optimal policy in this regard may be far from obvious. The Board considers a stable dividend to constitute an important element of the Company's investment attractiveness and shareholder return. As the Company is operating in rapidly developing, yet volatile, markets, its primary need is to maintain sufficient resources and financial flexibility to meet financial and operational requirements. The Company continually seeks ways to create shareholder value through both commercial and financial strategies, which may include both organic and inorganic development as well as the Company's capital management practices.

The shareholders of the Company may not expect dividend for a financial year(s) in the circumstances of challenging/sluggish market conditions, tough liquidity position, losses or inadequate profits.

The decision regarding recommendation / declaration of dividend will depend upon various external and internal factors including the following:

External Factors:-

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

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

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

Internal Factors:-

Apart from the various external factors aforementioned, the Board will take into account various internal factors while recommending / declaring Dividend, which inter alia will include-

i) Profits earned during the year;

ii) Present and future capital requirements of the existing businesses; / capital expenditures and the Company's debt position

iii) Business Acquisitions opportunities;

iv) Expansion/ Modernization of existing businesses; / growth opportunities available to the Company

v) Additional investments in subsidiaries/associates of the Company;

vi) Fresh investments into external businesses;

vii) Cash flow from operations

viii) Cost of raising funds

ix) Providing for unforeseen events and contingencies with financial implication.

Any other factor as deemed fit by the Board.

Process for approval of Payment of Interim and Final Dividend

- The Company will give prior intimation of 2 working days to Stock Exchanges (excluding the date of intimation and the date of the Board meeting) of date of Board Meeting in which the declaration / recommendation of dividend will be considered.
- The Company will inform about the decision taken by Board regarding dividend to Stock Exchange within 30 minutes of the closure of the Board Meeting.
- The Company will fix Record date for the purpose of determination for list of shareholders eligible to receive dividend.
- The Company shall recommend or declare dividend at least 5 working days (excluding the date of intimation and the record date) before the record date is fixed for the purpose.
- The intimation for fixing Record date shall be given to exchange at least seven working days in advance (excluding the date of intimation and the record date).

In the event of any amendment in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law with respect to the process of recommendation/approval/ payment of dividend, the same shall prevail and shall be deemed to form part of this policy.

Transfer of Unpaid / Unclaimed Dividend and Equity Shares to Investor Education and Protection Fund (IEPF)

As per section 124(5) of the Companies Act, the dividend which remains unpaid / unclaimed for a period of 7 years from the date of transfer to unpaid dividend account shall be transferred by the Company to IEPF.

Utilisation of Retained Earnings

The Retained earnings strengthen the Company's net owned funds. It will further help in maintaining Capital Adequacy Ratio (CAR) for Non-Banking Financial Companies (NBFCs) in the growth phase. The Board from time to time will decide utilization of the retained earnings depending upon various factors including organic / inorganic growth strategies of the Company, market competition, creating long term shareholder value etc. The Board will ensure judicious balancing of these factors in the interest of the Company and its stakeholders.

Review

This policy is in accordance with SEBI Circular No. SEBI/ LAD-NRO/GN/2016-17/008 dated 08th July, 2016. The same will be reviewed by the Board periodically for additions, deletions, changes or alterations in the parameters, process of recommendation/ declaration/ pay-out of dividend considered in the policy and in line with changes in regulations as applicable to the Company.

ANNEXURE A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Shriram Transport Finance Company Limited
Mookambika Complex, 3rd floor,
No. 4, Lady Desika Road,
Mylapore, Chennai – 600004

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Shriram Transport Finance Company Limited** having CIN L65191TN1979PLC007874 and having registered office at Mookambika Complex, 3rd floor, No. 4, Lady Desika Road, Mylapore, Chennai – 600004 (hereinafter referred to as 'the Company'), produced before us by the Company in electronic mode, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. No physical verification of any document / record was possible due to the current nationwide lockdown owing to the outbreak of COVID-19 pandemic.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Lakshminarayanan Subramanian	02808698	22/09/2009
2.	Umesh Govind Revankar	00141189	25/10/2016
3.	Kishori Jayendra Udeshi	01344073	30/10/2012
4.	Srinivasan Sridhar	00004272	20/10/2014
5.	Puneet Bhatia	00143973	26/10/2006
6.	Ravi Devaki Venkataraman	00171603	18/06/2015
7.	Panja Pradeep Kumar	03614568	25/10/2018
8.	Ignatius Michael Viljoen	08452443	08/05/2019

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

For Martinho Ferrao & Associates
Company Secretaries

Martinho Ferrao
Proprietor
F.C.S. No. 6221
C.P. No. 5676
UDIN: F006221B000295675

Mumbai
May 28, 2020

CEO/CFO CERTIFICATION

To,

The Board of Directors of Shriram Transport Finance Company Limited

We, to the best of our knowledge and belief, certify that-

A. We have reviewed financial statements and the cash flow statements for the year ended March 31, 2020 and that to the best of our knowledge and belief;

   1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that;

1) there were no significant changes in internal controls over financial reporting during the year;

2) there are no significant changes in accounting policies during the year, and

3) there were no instances of significant fraud of which we are become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

UMESH REVANKAR
Managing Director & CEO

PARAG SHARMA
Executive Director & CFO

Mumbai
June 10, 2020

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

The Board of Directors of Shriram Transport Finance Company Limited at its Meeting held on January 29, 2005 adopted Code of Conduct as amended on October 27, 2010 to be followed by all Members of the Board and Senior Management Personnel of the Company respectively in compliance with the Regulation 17(5) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations,2015 with the Stock Exchanges where the shares of the Company are listed.

As per Regulation 17(5) and Regulation 26(3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations,2015 executed with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2020.

UMESH REVANKAR
Managing Director & CEO

Mumbai
June 10, 2020

BUSINESS RESPONSIBILITY

REPORT 2019- 2020

SECTION A

GENERAL INFORMATION

SR. NO.	PARTICULARS	DETAILS
1	Corporate Identity Number (CIN) of the Company	L65191TN1979PLC007874
2	Name of the Company	Shriram Transport Finance Company Limited ("the Company")
3	Registered address	Mookambika Complex, 3rd Road, Mylapore, Chennai, Tamil Nadu – 600004. Tel No: +91 44 2499 0356 Fax: +91 44 2499 3272.
4	Website	**www.stfc.in**
5	Email id	vivekmadhukar.a@stfc.in
6	Financial year reported	2019-2020
7	Sector(s) that the Company is engaged in (industial activity code-wise)	NIC code of the products/ services: 64920 – other credit granting. The Company holds a certificate of registration dated April 17, 2007 bearing registration no. 07-00459 issued by the Reserve Bank of India to carry on the activities of a non-banking financial company.
8	Three key products/ services of the Company (as in balance sheet)	Financing of heavy, medium and light commercial vehicles and passenger vehicles.
9	Number of locations	(i) International : Nil (ii) National : 1758 Branches
10	Markets served by the Company -Local/State/ National/International	Financing of pre-owned and new commercial vehicle throughout the country.

SECTION B

FINANCIAL DETAILS OF THE COMPANY

SR. NO.	PARTICULARS	AMOUNT (Rs. In crores)
1	Paid up Capital	226.88
2	Total Turnover	**16,582.63**
3	Total profit after taxes	2,501.84
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.12%
5	List of Activities in which expenditure in above point 4 has been incurred: Please refer Annexure – I (Report on CSR Activities)	

SECTION C

OTHER DETAILS

SR. NO.	PARTICULARS	DETAILS
1	Company subsidiary as on March 31, 2020	Nil
2	Subsidiaries participating in Company's BR initiatives	NA
3	Other entities (e.g. suppliers, distributors etc.) participating in Company's BR initiatives	NA

SECTION D

BR INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

SR. NO.	PARTICULARS	DETAILS
1.	DIN	**00141189**
2	Name	Mr. Umesh Revankar
3	Designation	Managing Director & CEO

b. Details of BR head

SR. NO.	PARTICULARS	DETAILS
1	DIN (if applicable)	Not Applicable
2	Name	Mr. S. Sunder
3	Designation	Executive Director – Accounts & Administration
4	Telephone number	91-022-40959595
5	E-mail id	secretarial@stfc.in

2. Principle-wise (as per NVGs) BR Policy/Policies(Reply in Y/N)

(a) Details of Compliance (Reply in Y/N)

		Ethics, transparency and	Product safety	Well-being of employees	Stakeholders engageme	Human rights	Environment policy	Public and regulatory policy	Inclusive growth	Value to customers and consumers
Sr. No	**Questions**	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	N	Y	Y	N	Y	N	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	**Indicate the link for the policy to be viewed online?**	(i) The Code of conduct of the Company is available at **https://bit.ly/32Ay3qD**								
		(ii) The Whistle Blower Policy / Vigil Mechanism of the Company is available at **https://bit.ly/30lsOs5**								
		(iii) The Fair practice code of the Company is available at **https://bit.ly/32yMiMn**								
		(iv) Corporate Social Responsibility Policy **https://bit.ly/2B9TV0w**								
		Note: The remaining policies of the Company are internal documents and are not accessible to the public.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

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

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

3. Governance related to BR

The Business Responsibility Performence is Being Monitored by the Board of Directors of the Company. The Company has been publishing the Business Responsibility (BR) Report annually.

SECTION E

PRINCIPLE-WISE PERFORMANCE

Ethics of The Company

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability:

Our philosophy on Corporate Governance, inter alia, is aimed at enhancing long term shareholder value, achieving transparency and professionalism in all decisions and activities of the Company and achieving excellence in corporate governance.

The Company considers Corporate Governance as an integral part of good management. We have developed good governance structure for our organization and formulated procedures and practices that ensure ethical conduct at all levels of the organization. We continuously review and upgrade the procedures and practices. We maintain transparency in our communication with our investors. We have put in place a mechanism for resolution of their grievances. We have Whistle Blower Policy/Vigil Mechanism in place. We do not engage in any practice that is abusive, corrupt or anti-competition. We have avoided complicity with actions of third party that violates Business Responsibility Principles. All members of the Board of Directors and Senior Management Personnel affirm compliance with the Code of Conduct on an annual basis.

We conducted programs to familiarize the directors with changes in regulatory and business environment. We have deployed the practice of separating the roles of the Chairman of the Board and the CEO to ensure the right focus to governance. The Chairman of the Board is Non-executive Independent Director. Our Directors have reviewed its own performance, the performance of Individual Directors, functioning of the Board and its Committees, based on the criteria formulated by the Nomination and Remuneration Committee. During the process, the Board also reviewed the Corporate Governance Practices, ethical standards in the Company.

CONTRIBUTION TO SUSTAINABILITY

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

We are engaged in the business of financing of commercial vehicles. Our focus is on financing pre-owned commercial vehicle generally up to 10 years old. In this process we check authorization /certificates for safety, fitness and emission of the vehicle. Our various initiatives are aimed at influencing our customers for creating awareness about environment protection, reducing impact of emissions from on-road vehicles on the environment. We make appeal to our customers for timely maintenance of the vehicles. We give loans to them for replacement of tyres and engine parts. Our Drivers' training program provides training primarily to unemployed/low income youths from rural and urban areas for driving of commercial/passenger vehicles.We have also initiated various programs for unskilled drivers such as refresher driver training program,to ensure defensive driving,digital and financial literacy,preventive health check up and evaluation of drivers training through Automotive Skills Development Council (ASDC) certifying the completion of advance driver training program. The training includes holistic development of drivers from technical skills to soft skills. The objective of this initiative in turn is to transform the entire driver employment skill segment to a well-managed professionally empowered skill segment.

EMPLOYEES WELL-BEING

Principle 3: Business should promote wellbeing of all employees

We believe that our employees are our most valuable asset and greatest strength. We provide equal opportunity to all employees starting from their recruitment irrespective of their caste, creed, gender, race, religion, language, disability or sexual orientation. Our employees belong to all parts of the country and are selected based on individual merit without any discrimination or preference. Several female employees of the Company have reached senior positions in the organization and are involved in the decision making process. Free medical checkup camps and yoga sessions are conducted on an ongoing basis in order to promote health consciousness among the employees. Our relationship with employees continues to be cordial. We do not have any trade union or employee association. Our employees have free access to the management to express their views and suggestions. The management and staff has a mutual faith and trust. We provide Group Medical/ Accident/Life Insurance policy to all employees and loan facility extended to the permanent employees of the Company. We have "Shri Guru" a chatbot facility to employees wherein employees can raise any queries in respect of the Companys' products and process involved. As a part of learning initiative Company endeavours to keep upgrading the skillsets of our employees. In line with our quest for excellence, we have introduced the Mycoach E-Learning Platform. This e-learning platform helps our employees enhance their expertise and knowledge on products and processes. We also offer the Mybook and Quiz Platforms as additional tools to upgrade their understanding. The Company has also launched monthly newsletter "ShriConnect" yet another initiative to communicate employees internally on various Company initiatives and industry related updates.We have launched "Employee Rewards Program aimed to bring more employee participation in talent building exercises and to recognize the outstanding contributions of every individual employee. The employees will be rewarded with reward points on the basis of few predefined parameters.

We have systems in place to inculcate high performance culture in the organization. We organize periodically the training programmes for upgrading functional and soft skills of employees. The employees who have successfully completed the Management Education Program are acting as mentor providing on the job training and guidance to their colleagues. We look forward to percolate this process throughout the organization. In order to ensure healthy working conditions and prevent sexual harassment of women employees, we have constituted Internal Complaint Committees at various places. The Committees are chaired by woman employees of the Company.

During lockdown period caused by COVID-19 pandemic, refresher training was imparted to employees which also included educating them on safety precaution and standard operating procedures. For more details on employee training please refer Management Discussion and Analysis report.

STAKEHOLDERS ENGAGEMENT

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

We had already developed "MYSHRIRAM" app for enabling customers to transact all their business requirements through digitally. We are also providing the 'FAST TAG' re-charge facility to all customers which helps them to pay toll charges digitally. We also supplied POS machines to all the branches for enabling debit card swiping. We have also provided "KIOSKS" facility at selected branches for customers to transact during closing hours of branch offices. Our customers can directly remit into the account at the bank branches against their loan account and Company has provided the facility to transfer the amount through electronic mode. The Company has launched monthly newsletter titled as "Shrisandesh", yet another initiative to communicate all customers on various initiatives of the Company and industry related updates. This newsletter is being sent to all customers through SMS and email.

Our Fair Practice Code provides mechanism for redressal of customer complaints. Our policy is to treat all customers in fair manner. Our entire recovery and collection operation is administered in-house and we do not outsource loan recovery and collection operations. We have relationship based recovery procedures well-suited to our target market in the commercial vehicle financing industry. We are regular in payment of interest and repayment of credit facilities availed from Banks and Financial Institutions. We enjoy good reputation, goodwill and standing in the financial markets. Our good track record has enabled us to obtain good credit ratings from the reputed Credit Rating Institutions. This enables smooth raising of funds from investors. We continue to service our Fixed Deposit holders on time and offer higher interest rate to senior citizens. We make periodical follow up with our investors requesting them to collect their unpaid dividend, interest, redemption/maturity proceeds of Fixed Deposits and Debentures etc. We have made appeal to them to update their database and to register email ids with us for faster communication and prompt service. Our Company has a good dividend track report and has consistently declared dividends for the past several years.

HUMAN RIGHTS

Principle 5: Businesses should respect and promote human rights

As a good corporate citizen we respect the human rights of those who we engage with. We pay fair wages to our employees and do not discriminate between male and female employees. They are treated equally with dignity and are given equal opportunities, rights and benefits. We comply and adhere to all the human rights laws and guidelines. We strive to percolate these values at all levels in the organization. We provide scholarship to students from weaker sections of the society. We do organise medical camps for the socio economically weaker sections of the society through mobile medical units and OPD clinics.

ENVIRONMENT

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

We continue to create awareness about environment protection among employees and customers through our environment policy. .We encourage our customers to replace their old age vehicles with younger age vehicles and thus works for its contribution to Environment. In the process of loan disbursement we check fitness certificate of the financed vehicle for safe driving. The loan vehicles are insured and the insurance policy is renewed regularly. We educate our customers to obtain proper PUC certificate and renew it periodically. We provide financial assistance to the borrowers for replacement of tyres, engine parts etc. which enables timely maintenance of loan vehicles, safe driving, reducing accidents and pollution. We have aligned our loan disbursement policy with the applicable environmental policies.

We are continuously making appeal to our shareholders to participate in the 'Green initiative' to reduce use of paper by receiving soft copies of annual reports using internet facilities, receiving dividend by direct credit to their bank accounts instead of physical dividend warrants etc..For payment of Interest, dividend, maturity amount of debentures and fixed deposits etc. as far as possible we use methods of electronic remittances such as NECS, NEFT, RTGS which also ensures faster credit of money to the bank accounts of the investors, avoids use of paper for dividend / interest warrants, and atpar cheques. Our objective is to achieve highest level of paperless office by adopting practices, methods and modern techniques in our internal and external communication with all stakeholders.

INFLUENCING PUBLIC & REGULATORY POLICIES

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

We take up the issues and matters impacting our business segment and give our suggestions in respect of the proposals of the regulatory and government bodies directly as well as through chambers of commerce and industrial associations in the best interest of the commercial vehicle financing segment of the Industry and Small Road Transport Operators.

INCLUSIVE GROWTH

Principle 8: Businesses should support inclusive growth and equitable development

We cater to the financing needs of Small Road Transport Operators (SRTOs) and First Time Buyers (FTBs) generally belonging to the weaker sections of the society all over the country. In order to provide financial assistance for purchase of vehicles in the regions where banking services are not easily available, we have opened several rural centers catering to their needs. We promote the 'financial inclusion' which is the focus point of all welfare initiatives of the government. We provide finance to these pre-owned commercial vehicle operators at favorable interest rates and repayment terms as compared to private financiers in the unorganized sector.

VALUE OF CUSTOMERS

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

We have track record of loyal customers who have achieved advancement, progress, growth of their business through long term relationship with us. We create value by providing products and services to our customers' need and aim to do so in a way that fits seamlessly into their lives This helps us to build long-lasting relationships with our customers .We effectively implement the Fair Practice Code for redressal of customer grievances. Apart from providing loans, we help our customers with settlement of insurance claims, renewal of insurance policy, obtaining of permits from RTOs, tie-up with service centers for refurbishing vehicles. The Company has entered into agreement with fuel marketing companies viz. HPCL and BPCL enabling customers to purchase fuel on credit from nation-wide network of dealers of HPCL and BPCL. We have entered into arrangements with vendors for providing credit facilities to Company's customers for tyre replacements. The Company also provides working capital for road tax,engine repairs/replacement of parts of the vehicles financed by the Company.We also sponsor activities for welfare of customers and their families. We work for growth of our customers and we focus on mutual faith and trust with our customers. We have entered into memorandum of understanding with Indian Oil Corporation Ltd (IOCL) to enable our customers to have an efficient way of purchasing auto fuels like diesel,petrol,lubricants on credit through wide network of IOCL.

BUSINESS RESPONSIBILTY PARAMETER INDEX

Principle-Wise Performance

	Principle 1	
1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	Yes it covers only the Company.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Nil
	Principle 2	
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company is not engaged in manufacture of any goods. It is engaged in the business of financing of pre-owned and new commercial vehicles.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable
3	Does the company have procedures in place for sustainable sourcing (including transportation)? a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Not Applicable
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company provides services relating to vehicle financing through its branches and rural service centers. As a matter of practice, we give preference for recruitment of local persons in our branches.
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so	Not Applicable
	Principle 3	
1	Please indicate the Total number of employees.	28045
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	Not Applicable
3	Please indicate the Number of permanent women employees	1326
4	Please indicate the Number of permanent employees with disabilities	22
5	Do you have an employee association that is recognized by management	No
6	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable

7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	
	Child labour/forced labour/involuntary labour	NIL
	Sexual harassment	NIL
	Discriminatory employment	NIL
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	42.70% employees were given safety and skill training programmes in the last year
	(a) Permanent Employees	41.20%
	(b) Permanent Women Employees	1.5%
	(c) Casual/Temporary/Contractual Employees	-
	(d) Employees with Disabilities	-

Principle 4

1	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes, please refer to the Principle 4 of the Report

Principle 5

1	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?	Yes, the policy extends only to the Company.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint was received for human rights violation during the last financial year.

Principle 6

1	Does the policy related to Principle 6 cover only the company or extends to the Group /Joint Ventures/ Suppliers/ Contractors /NGOs / others.	Yes, the policy extends only to the Company.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes we have environment policy in place. We have taken green initiative through paperless office etc.
3	Does the company identify and assess potential environmental risks? Y/N	No
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	No

6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Not Applicable.
7	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

Principle 7

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, we are member of Finance Industry Development Council (FIDC), Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) and various other state/ city level associations.
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, Governance and Administration

Principle 8

1	Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, please refer to the Principle 8 of the Report
2	Are the programmes/projects undertaken through in-house team / own foundation/external NGO/ government structures/any other organization?	Yes, the projects are undertaken through coordination and collaboration between in-house team and external NGOs.
3	Have you done any impact assessment of your initiative	No
4	What is your Companys' Direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Yes, please refer to the Section B of the Report
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	Yes,we actively encourage participation of stakeholders in various programmes. This includes both volunteering and proactive participation.

Principle 9

1	What percentages of customer complaints / consumer cases are pending as on the end of financial year?	1.35% Customer complaints are pending as on the end of financial year.
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	Not Applicable
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	No

SECRETARIAL COMPLIANCE REPORT OF SHRIRAM TRANSPORT FINANCE COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2020

I, P. Sriram, Proprietor of P. Sriram & Associates have examined:

(a) All the documents and records made available to us and explanation provided by Shriram Transport Finance Company Limited ("the listed entity"),

(b) The filings/ submissions made by the listed entity to the stock exchanges,

(c) Website of the listed entity,

(d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2020 ("Review Period") in respect of compliance with the provisions of:

  (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

  (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, including:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (Not Applicable to the company during the review period);

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the company during the review period);

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013(Not Applicable to the company during the review period);

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(j) Securities and Exchange Board of India (Depositories and Participant) Regulations,2018; and based on the above examination, I hereby report that, during the Review Period:

  (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	NIL	NIL	NIL

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges *(including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	**Action taken by**	**Details of violation**	**Details of action taken E.g. fines, warning letter, debarment, etc.**	**Observations/ remarks of the Practicing Company Secretary, if any.**
NIL	NIL	NIL	NIL	NIL

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	**Observations of the Practicing Company Secretary in the previous reports**	**Observations made in the secretarial compliance report for the year ended… (The years are to be mentioned)**	**Actions taken by the listed entity, if any**	**Comments of the Practicing Company Secretary on the actions taken by the listed entity**
NIL	NIL	NIL	NIL	NIL

For P. Sriram & Associates

Sriram Parthasarathy
FCS No.: 4862
C P No.: 3310
UDIN : F004862B000333971

Chennai
June 11, 2020

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

FINANCIAL SECTION

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To the Members of
Shriram Transport Finance Company Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

<u>Impairment Loss Allowance of loans and advances</u>

Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Company has significant credit risk exposure considering the large loan portfolio across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the potential impact of unprecedented COVID 19 pandemic on asset quality and provision of the Company. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modeled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

Audit Procedures included but were not limited to the following:

We have started our audit procedures with understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.

We also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company which is based on and in compliance with Ind AS 109 "Financial Instruments". Particularly we assessed the approach of the Company regarding definition of Default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.

For loans and advances which are assessed for impairment on a portfolio basis we performed particularly the following procedures:

- We tested the reliability of key data inputs and related management controls;
- We checked the stage classification as at the balance sheet date as per the definition of Default of the Company;

- We validated the ECL Model and its calculation by involving our Information Technology Expert;
- We have also calculated the ECL provision manually for selected samples; and
- We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information and based on an event in a particular geographical range.
- We have reviewed the process of the Company to grant moratorium to the borrowers as per the Regulatory Package announced by the Reserve Bank of India (RBI). Further, we have relied on the assumption of the management that there will be no significant increase in the credit risk in the cases where moratorium is given and that the staging based on the days past due (DPD) will be considered as per the RBI COVID-19 Regulatory Package. We have tested on samples basis the DPD freeze for cases where moratorium is provided and not provided in accordance with RBI COVID-19 Regulatory Package;
- With respect to additional provision made by the Company on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company and.
- We have checked the provision on Loan Assets as per IRACP norms as required under RBI circular dated March 13, 2020. We have checked the DPD and provision in accordance with the RBI regulations in that regard further considering the Regulatory Packages issued by RBI dated March 27, 2020 and May 23, 2020 and RBI circular dated April 17, 2020.

For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regards along with its compliance on sample basis.

Emphasis of Matter

We draw attention to Note 62 to the standalone financial statements which describes the classification of accounts as on March 31, 2020 with respect to the accounts which were overdue but standard as on February 29, 2020 and to whom moratorium benefit has been granted. The staging of those accounts under Ind AS as on March 31, 2020 is based on the days past due status as on February 29, 2020 in accordance with the Reserve Bank of India COVID-19 regulatory package. Further, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance(including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 49 on Contingent Liabilities to the standalone financial statements;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the standalone financial statements;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAACL9811

Place: Mumbai
Date: June 10, 2020

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Sangeeta Gupta
Partner
Membership No. 064225
UDIN: 20064225AAAAAX2386

Place: Gurugram
Date: June 10, 2020

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Shriram Transport Finance Company Limited on the standalone financial statements for the year ended March 31, 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) Based on the examination of the registered sale deed/transfer deed and other relevant records evidencing title / possession provided to us, we report that, the title deeds of all the immovable properties comprising of land and buildings which are freehold other than self constructed assets included in Property, Plant and Equipment, are held in the name of the Company as at the balance sheet date.

(ii) The Company is in the business of providing services and does not have any inventory. Accordingly, clause 3(ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has complied with the provisions of sections 185 and 186(1) of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable. Further, the provisions of section 186, except for section 186(1), of the Act are not applicable to the Company as it is engaged in the business of financing.

(v) In our opinion, the Company has complied with the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Act and the rules framed there under with regard to the acceptance of deposits. Further, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), cess and any other material statutory dues applicable to it. As informed, provisions of Custom Duty are not applicable to the Company. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

(b) No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) As informed, the provisions of customs duty and excise duty is not applicable to the Company. The dues outstanding with respect to, income tax, sales tax, service tax, value added tax and GST on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax demands	13.44	A.Y. 2017-18	CIT (Appeals)
Income Tax Act,1961	Income Tax demands	26.10	A.Y. 2016-17	Assessing Officer
Income Tax Act,1961	Income Tax demands	5.46	A.Y. 2014-15	Madras High Court
Income Tax Act,1961	Income Tax demands	5.79	A.Y. 2014-15	Assessing Officer
Income Tax Act,1961	Income Tax demands	1.80	A.Y. 2014-15	CIT (Appeals)
Income Tax Act,1961	Income Tax demands	1.53	A.Y. 2013-14	Madras High Court
Income Tax Act,1961	Income Tax demands	5.02	A.Y. 2013-14	Assessing Officer

ANNEXURE 1

TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Name of the statute	Nature of dues	Amount (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax demands	0.47	A.Y. 2012-13	Madras High Court
Income Tax Act,1961	Income Tax demands	5.27	A.Y. 2012-13	Assessing Officer
Income Tax Act,1961	Income Tax demands	10.00	A.Y. 2011-12	Assessing Officer
Income Tax Act,1961	Income Tax demands	9.21	A.Y. 2010-11	Assessing Officer
Income Tax Act,1961	Income Tax demands	10.26	A.Y. 2009-10	Madras High Court
Income Tax Act,1961	Income Tax demands	1.84	A.Y. 2008-09	Madras High Court
Income Tax Act,1961	Income Tax demands	0.27	A.Y. 2007-08	Madras High Court
Income Tax Act,1961	Income Tax demands	0.08	A.Y. 2006-07	Assessing Officer
Finance Act, 1994 (Service tax)	Service tax on hire purchase and lease transaction	212.30	F.Y. 2003-04 to 2009-10	CESTAT (Custom, Excise and Service tax appellate tribunal)
Finance Act, 1994 (Service tax)	Service tax demand on securitisation collection commission	192.88	F.Y. 2008-09 to 2014-2015	CESTAT (Custom, Excise and Service tax appellate tribunal)
Maharashtra Value Added Tax	Value added tax	0.00#	F.Y. 2005-06	Maharashtra Sales Tax Tribunal
Maharashtra Value Added Tax	Value added tax	0.00#	F.Y. 2006-07	Deputy Commissioner of Sales Tax - Appeals – Mumbai
Maharashtra Value Added Tax	Value added tax	5.40	F.Y. 2007-08 to 2013-14	Maharashtra Sales Tax Tribunal
Maharashtra Value Added Tax	Value added tax	0.79	F.Y. 2014-15	Joint Commissioner of Sales tax
Maharashtra Value Added Tax	Value added tax	0.21	F.Y. 2012-13 to 2013-14	Deputy Commissioner of Sales Tax - Appeals - Mumbai
Maharashtra Value Added Tax	Value added tax	0.01	F.Y. 2014-15	Joint Commissioner of Sales tax
Maharashtra Value Added Tax	Value added tax	0.02	F.Y. 2015-16	Joint Commissioner of Sales tax
Maharashtra Value Added Tax	Value added tax	0.29	F.Y. 2016-17	Joint Commissioner of Sales tax
Andhra Pradesh Value Added Tax	Value added tax	3.48	F.Y. 2005-06 to 2008-09	High court of Telangana
Andhra Pradesh Value Added Tax	Value added tax	3.27	F.Y 2009-10 to 2010-11 and 1st April 2011 to 31st August 2012	High court of Telangana
Andhra Pradesh Value Added Tax	Value added tax	0.12	F.Y. 2010-11 to 2012-13	High court of Telangana
Rajasthan Value Added Tax	Value added tax	1.16	F.Y. 2006-07 to 2011-12	High Court of Rajasthan
Rajasthan Value Added Tax	Value added tax	1.59	F.Y. 2012-13 to 2015-16 And 1st April, 2016 to 4th Nov 2016	Rajasthan Tax Tribunal, Ajmer

Name of the statute	Nature of dues	Amount (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending
Karnataka Value Added Tax	Value added tax	8.07	F.Y. 2010-11 to 2016-17	High court of Karnataka
Orissa Value Added Tax	Value added tax	0.09	F.Y. 2008-09 to 2012-13	Orissa Tax Tribunal
Telangana Value Added Tax	Value added tax	9.81	F.Y. 2013-14 to 2016-17 and April 17 to June 17	Commercial Tax officer, Secunderabad

*Above amounts are net of amount paid under protest, wherever paid.

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or dues to debenture holders. The Company has not taken any loan or borrowing from government.

(ix) The Company did not raise moneys by way of initial public offer or further public offer of equity shares during the year. In our opinion, monies raised by the Company by way of debt instruments and term loans were applied for the purposes for which those were obtained, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management except three fraud cases amounting to Rs. 0.18 Crores where employees of the Company has conducted Cheating and Forgery.

(xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAACL9811

Place: Mumbai
Date: June 10, 2020

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Sangeeta Gupta
Partner
Membership No. 064225
UDIN: 20064225AAAAAX2386

Place: Gurugram
Date: June 10, 2020

ANNEXURE 2

TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Shriram Transport Finance Company Limited on the standalone financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Shriram Transport Finance Company Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAACL9811

Place: Mumbai
Date: June 10, 2020

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Sangeeta Gupta
Partner
Membership No. 064225
UDIN: 20064225AAAAAX2386

Place: Gurugram
Date: June 10, 2020

BALANCE SHEET

AS AT MARCH 31, 2020

(Rs. in crores)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1 Financial assets			
Cash and cash equivalents	8	3,088.99	1,029.14
Bank balance other than above	9	4,225.93	2,952.33
Derivative financial instruments	10	758.73	21.72
Receivables	11		
(I) Trade receivables		10.50	8.48
(II) Other receivables		5.64	19.94
Loans	12	102,231.63	96,751.49
Investments	13	2,798.48	3,999.07
Other financial assets	14	45.15	36.88
2 Non-financial assets			
Current tax assets (net)	15	249.10	106.58
Deferred tax assets (net)	43	62.50	75.70
Investment property	16	2.03	2.06
Property, plant and equipment	17	149.88	143.46
Right-of-use assets	18	327.84	-
Other intangible assets	19	2.67	1.97
Other non-financial assets	20	169.57	143.66
Total assets		**114,128.64**	**105,292.48**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Derivative financial instruments	10	-	83.42
Payables			
(I) Trade payables	21		
(i) total outstanding dues of micro enterprises and small enterprises		0.40	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		143.44	133.46
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.13	2.72
Debt securities	22	34,266.96	34,181.76
Borrowings (other than debt securities)	23	42,474.60	37,189.30
Deposits	24	11,960.12	10,341.46
Subordinated liabilities	25	5,670.07	6,201.88
Other financial liabilities	26	912.32	1,016.48
Lease liabilities	18	362.81	-
2 Non-financial liabilities			
Current tax liabilities (net)	27	102.02	102.97
Provisions	28	146.33	133.26
Other non-financial liabilities	29	83.28	69.49
Total liabilities		**96,123.48**	**89,456.20**
3 Equity			
Equity share capital	30	226.88	226.90
Other equity	31	17,778.28	15,609.38
Total equity		**18,005.16**	**15,836.28**
Total liabilities and equity		**114,128.64**	**105,292.48**

See accompanying notes forming part of the financial statements.

As per our report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

(Rs. in crores)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations			
(i) Interest income	32	16,267.46	15,335.69
(ii) Dividend income		0.19	4.99
(iii) Rental income		0.22	0.22
(iv) Fee and commission income	33	194.97	126.60
(v) Net gain on fair value changes	34	-	-
(vi) Other operating income	35	99.52	61.65
(I) Total Revenue from operations		**16,562.36**	**15,529.15**
(II) **Other income**	36	20.27	27.51
(III) Total Income (I + II)		**16,582.63**	**15,556.66**
Expenses			
(i) Finance cost	37	8,270.26	7,511.26
(ii) Fee and commission expense	38	56.88	62.19
(iii) Net loss on fair value changes	34	6.75	2.58
(iv) Impairment of financial instruments	39	2,794.88	2,382.26
(v) Employee benefits expenses	40	1,010.82	883.06
(vi) Depreciation, amortisation and impairment	41	141.05	42.97
(vii) Other expenses	42	863.32	894.07
(IV) Total Expenses		**13,143.96**	**11,778.39**
(V) Profit before exceptional items and tax (III - IV)		**3,438.67**	**3,778.27**
(VI) Exceptional items		-	-
(VII) Profit before tax (V+ VI)		**3,438.67**	**3,778.27**
(VIII) Tax Expense:			
(1) Current tax	43	921.20	1,346.37
(2) Deferred tax	43	14.79	(22.27)
(3) Tax adjustment for earlier years	43	0.84	(109.82)
(IX) Profit for the year from continuing operations (VII - VIII)		**2,501.84**	**2,563.99**
(X) Profit for the year		**2,501.84**	**2,563.99**
(XI) Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(6.33)	(3.56)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.59	1.24
Subtotal (A)		**(4.74)**	**(2.32)**
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A + B)		**(4.74)**	**(2.32)**
(XII) Total Comprehensive income for the year (X + XI)		**2,497.10**	**2,561.67**
(XIII) Earnings per equity share			
Basic (Rs.)	44	110.27	113.01
Diluted (Rs.)	44	110.27	113.01

See accompanying notes forming part of the financial statements.

As per our report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2020

A. Equity share capital

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2018	**226,882,736**	**226.90**
Changes in Equity share capital during the year	-	-
As at March 31, 2019	**226,882,736**	**226.90**
Changes in Equity share capital during the year	-	(0.02)
As at March 31, 2020	**226,882,736**	**226.88**

B. Other equity

(Rs. in crores)

Particulars	Reserves and Surplus							Other comprehensive income- retirement benefits	Total
	Statutory reserve	Capital reserve	Securities premium account	Debenture redemption reserve	Capital redemption reserve	General reserve	Retained earnings		
Balance as at April 01, 2018	**2,654.55**	**27.62**	**1,754.81**	**216.59**	**53.88**	**1,813.91**	**6,829.82**	**(2.60)**	**13,348.58**
Profit for the year	-	-	-	-	-	-	2,563.99	-	**2,563.99**
Other comprehensive income for the year	-	-	-	-	-	-	-	(2.32)	**(2.32)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,563.99**	**(2.32)**	**2,561.67**
Transferred to/from	514.00	-	-	158.03	-	350.44	(1,022.47)	-	-
Dividends (interim and final)	-	-	-	-	-	-	(249.57)	-	**(249.57)**
Tax on dividend (interim and final)	-	-	-	-	-	-	(51.30)	-	**(51.30)**
Balance as at March 31, 2019	**3,168.55**	**27.62**	**1,754.81**	**374.62**	**53.88**	**2,164.35**	**8,070.47**	**(4.92)**	**15,609.38**

B. Other equity (Contd.)

(Rs. in crores)

Particulars	Reserves and Surplus							Other comprehensive income- retirement benefits	Total
	Statutory reserve	Capital reserve	Securities premium account	Debenture redemption reserve	Capital redemption reserve	General reserve	Retained earnings		
Balance as at April 01, 2019	**3,168.55**	**27.62**	**1,754.81**	**374.62**	**53.88**	**2,164.35**	**8,070.47**	**(4.92)**	**15,609.38**
Profit for the year	-	-	-	-	-	-	2,501.84	-	**2,501.84**
Other comprehensive income for the year	-	-	-	-	-	-	-	(4.74)	**(4.74)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,501.84**	**(4.74)**	**2,497.10**
Transferred to/(from)	500.38	-	-	235.79	-	250.19	(986.36)	-	-
Transfer from share forfeiture account	-	0.02	-	-	-	-	-	-	**0.02**
Dividends (interim and final)	-	-	-	-	-	-	(272.26)	-	**(272.26)**
Tax on dividend (interim and final)	-	-	-	-	-	-	(55.96)	-	**(55.96)**
Balance as at March 31, 2020	**3,668.93**	**27.64**	**1,754.81**	**610.41**	**53.88**	**2,414.54**	**9,257.73**	**(9.66)**	**17,778.28**

See accompanying notes forming part of the financial statements

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,438.67	3,778.27
Depreciation, amortisation and impairment	141.05	42.97
Interest on income tax refund	(5.80)	(6.66)
Loss on sale of investments	0.12	-
Loss/(profit) on sale of fixed assets (net)	(1.17)	0.51
Impairment on loans	2,748.87	2,450.51
Impairment on investments	42.22	(0.06)
Impairment on undrawn loan commitment	4.39	6.71
Impairment on other assets	(0.60)	(74.90)
Net (gain)/loss on fair value changes on investment	0.87	(0.52)
Net (gain)/loss on fair value changes on derivatives	5.88	3.10
Operating profit before working capital changes	**6,374.50**	**6,199.93**
Movements in working capital:		
Decrease/(increase) in loans	(8,229.03)	(8,456.35)
(Increase)/decrease in investments	1,157.38	(1,657.13)
Decrease/(increase) in receivables	12.28	(10.98)
Decrease/(increase) in bank deposits	(1,273.60)	(368.49)
Decrease/(increase) in other financial assets	(7.67)	75.49
Decrease/(increase) in other non-financial assets	(28.09)	(3.43)
Increase/(decrease) in payables	10.38	(86.31)
Increase/(decrease) in other financial liabilities	(104.04)	126.22
Increase/(decrease) in non-financial liabilities	13.79	(3.83)
Increase/(decrease) in other provision	7.69	2.31
Cash generated from operations	**(2,066.41)**	**(4,182.57)**
Direct taxes paid (net of refunds)	(1,065.03)	(1,352.41)
Net cash flows from/(used in) operating activities (A)	**(3,131.44)**	**(5,534.98)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(57.80)	(77.97)
Proceeds from sale of property, plant and equipment and intangible assets	2.60	1.83
Net cash flows from/(used in) investing activities (B)	**(55.20)**	**(76.14)**

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Derivatives	(826.31)	64.46
Amount received from deposits received (including ICDs)	4,433.61	5,006.10
Repayment of deposits	(2,940.82)	(3,315.19)
Amount received from debt securities	13,085.18	9,057.53
Repayment of debt securities	(9,557.89)	(6,562.70)
Amount received from subordinated debts	-	2,360.00
Repayment of subordinated debts	(449.01)	(864.56)
Amount received from borrowings other than debt securities	42,569.54	56,824.89
Repayment of borrowings other than debt securities	(40,683.27)	(56,722.52)
Payment of lease liabilities	(56.20)	-
Dividend paid	(272.38)	(247.16)
Tax on dividend	(55.96)	(51.30)
Net cash flows from financing activities (C)	**5,246.49**	**5,549.55**
Net increase in cash and cash equivalents (A+B+C)	2,059.85	(61.57)
Cash and cash equivalents at the beginning of the year	1,029.14	1,090.71
Cash and cash equivalents at the end of the year	**3,088.99**	**1,029.14**
Net cash provided by (used in) operating activities includes		
Interest received on loans	14,487.74	14,842.91
Interest paid	(5,923.07)	(5,813.03)
Dividend received	0.19	4.99

(Rs. in crores)

Components of cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents at the end of the year		
i) Cash on hand	41.24	123.47
ii) Cheques on hand	2.38	18.18
iii) Balances with banks (of the nature of cash and cash equivalents)	1,810.59	761.67
iv) Bank deposit with original maturity less than three months	1,234.78	125.82
Total	**3,088.99**	**1,029.14**

See accompanying notes forming part of the financial statements.

As per our report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

1 CORPORATE INFORMATION

Shriram Transport Finance Company Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing commercial vehicles. It also provides loans for equipment and other business purposes. The Company is registered with the Reserve Bank of India (RBI), Ministry of Corporate Affairs and Insurance Regulatory and Development Authority of India (IRDA). The registration details are as follows:

RBI	07-00459
Corporate Identity Number (CIN)	L65191TN1979PLC007874
IRDA	CA0197

The Company is associate of Shriram Capital Limited.

The registered office of the Company is Mookambika Complex, 3rd floor, No.4, Lady Desika Road, Mylapore, Chennai – 600 004, Tamil Nadu. The principal place of business is Wockhardt Towers, West Wing, Level-3, C-2, G-Block, Bandra -Kurla Complex, Bandra (East), Mumbai, Maharashtra- 400 051.

The financial statements of the Company for the year ended March 31, 2020 were approved for issue in accordance with the resolution of the Board of Directors on June 10, 2020.

2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

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

3 PRESENTATION OF FINANCIAL STATEMENT

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

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

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

4 STATEMENT OF COMPLIANCE

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

Except for the changes below, the Company has consistently applied accounting policies to all periods.

i) The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. Refer note 6.3(iii) for the Company's policy on leases.

5 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

6 SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

(ii) Financial assets measured at amortised cost

Debt instruments

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

Debt instruments are measured at amortised cost where they have:

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

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

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

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

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

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

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

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

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at FVOCI.

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

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date, the Company does not have any financial instruments measured at fair value through profit or loss.

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

Financial instruments held for trading

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

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

Financial instruments designated as measured at fair value through profit or loss

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

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

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

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

(v) Derivatives

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

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.
- The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently measured to their fair value at the end of each reporting period. Such derivative instruments are presented as assets in case of a fair value gain and as liabilities in case of fair value loss. Changes in the fair value of derivatives are included in net gain on fair value changes.

(vi) Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

(vii) Debt securities and other borrowed funds

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

(viii) Financial guarantees

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

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

(ix) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2018-19 and until the year ended March 31, 2020.

(x) Recognition and Derecognition of financial assets and liabilities

Recognition

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

b) Investments are initially recognised on the settlement date.

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

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

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets

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

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

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

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

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

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

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

b) Financial liabilities

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

(xi) Impairment of financial assets

Overview of the ECL principles

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

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

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

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Business Loans, Secured loans for new vehicles, Secured loans for used vehicles and Equipment Finance Loans.

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

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

Stage 1

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

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

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

Credit-impaired financial assets

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

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

a) Significant financial difficulty of the borrower or issuer;

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

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

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

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

ECL on Investment in Government securities:

The Company has invested in Government of India loans. Investment in Government securities are classified under stage 1. No ECL has been applied on these investments as there is no history of delay in servicing of interest/repayments. The Company does not expect any delay in interest/redemption servicing in future.

Simplified approach for trade/other receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor.

ECL on Debt instruments measured at fair value through OCI

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

The mechanics of ECL

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

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 53.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 53.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 53.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably. Refer note 62 for impact of COVID and macro-economic factors on PD and LGD estimation.

Collateral Valuation

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

Collateral repossessed

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

(xii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss. Write off in case of standard accounts is done by way of waiver of last one or two instalments in case the borrower pays all the EMIs as per the due dates mentioned in the agreement.

(xiii) Determination of fair value

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

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

Difference between transaction price and fair value at initial recognition.

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

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

6.2 Revenue from operations

(i) Interest Income

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

The EIR in case of a financial asset is computed

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

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

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

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

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

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

Interest spread under par structure of direct assignment of loan receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the statement of profit or loss.

(ii) Dividend Income

Dividend income is recognised

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

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

c. the amount of the dividend can be measured reliably

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset.

(iv) Fees & Commission Income

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

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

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

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

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

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

(v) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 34), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

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

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

6.3 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

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

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

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

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

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

(ii) Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

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

b) Defined Benefit schemes

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

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

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

The Company fully contributes all ascertained liabilities to The Trustees - Shriram Transport Finance Company Limited Employees Group Gratuity Assurance Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

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

Other long-term employee benefits

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

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

(iii) Rent Expense

Upto March 31, 2019

Identification of Lease

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Recognition of lease payments

Rent Expenses representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases.

From April 01, 2019

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 (transition date).The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Company's lease asset classes consist of leases for office premises.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative period, leases, lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

In case of a sub-lease, the Company accounts for its head lease and sub-lease separately.

(iv) Other income and expenses

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

(v) Impairment of non-financial assets

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

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

(vi) Taxes

Current Tax

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

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

Deferred tax

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

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

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

Minimum Alternate Tax (MAT)

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

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

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

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

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

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

6.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition

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

Conversion

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

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

6.5 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents) and short- term deposits, as defined above.

6.6 Property, plant and equipment

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

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

Depreciation

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

The estimated useful lives are as follows:

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

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

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

6.7 Intangible assets

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

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

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

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

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

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

6.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

6.9 Provisions

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

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

6.10 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

6.11 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

7 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

7.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(xi) Overview of ECL principles.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

7.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
8	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	41.24	123.47
	Balances with banks (of the nature of cash and cash equivalents)	1,810.59	761.67
	Cheques on hand	2.38	18.18
	Bank deposit with original maturity less than three months	1,234.78	125.82
	Total	**3,088.99**	**1,029.14**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The Company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
9	**BANK BALANCE OTHER THAN ABOVE**		
	Balances with banks		
	Unclaimed dividend accounts	10.57	10.69
	Bank deposit with original maturity for more than three months	364.16	200.37
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments. *	3,851.20	2,741.27
	Total	**4,225.93**	**2,952.33**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits Rs. 3,701.14 crores (March 31, 2019: Rs. 2,716.93 crores) pledged with Banks as margin for credit enhancement, Rs. 146.83 crores (March 31, 2019: Rs. 21.28 crores) as margin for guarantees and Rs. 3.23 crores (March 31, 2019: Rs. 3.06 crores) pledged as lien against loans taken.

10 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(Rs. in crores)

Particulars		As at March 31, 2020				As at March 31, 2019			
		Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I									
(i)	**Currency derivatives:**								
	- Spots and forwards	8,018.44	378.05	-	-	374.86	1.22	-	-
	- Currency swaps	1,769.50	11.50	-	-	2,402.33	18.67	2,849.90	83.05
	- Cross currency interest rate swaps	6,389.23	319.50	-	-	-	-	-	-
	Sub total (i)	**16,177.17**	**709.05**	**-**	**-**	**2,777.19**	**19.89**	**2,849.90**	**83.05**
(ii)	**Interest rate derivatives:**								
	-Forward rate agreements and interest rate swaps	-	-	-	-	40.00	1.83	15.00	0.37
	-Interest rate swaps	8,744.63	45.77	-	-	-	-	-	-
	-Interest rate caps	-	3.91	-	-	-	-	-	-
	Sub total (ii)	**8,744.63**	**49.68**	**-**	**-**	**40.00**	**1.83**	**15.00**	**0.37**
(iii)	**Credit derivatives:**	-	-	-	-	-	-	-	-
(iv)	**Equity linked derivatives:**	-	-	-	-	-	-	-	-
(v)	**Other derivatives:**	-	-	-	-	-	-	-	-
Total derivative financial instruments (i+ii+iii+iv+v)		**24,921.80**	**758.73**	**-**	**-**	**2,817.19**	**21.72**	**2,864.90**	**83.42**
Part II									
	Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i)	Undesignated Derivatives	24,921.80	758.73	-	-	2,817.19	21.72	2,864.90	83.42
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)		**24,921.80**	**758.73**	**-**	**-**	**2,817.19**	**21.72**	**2,864.90**	**83.42**

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 53.

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments.

Derivatives not designated as hedging instruments

The Company uses cross currency interest rate swaps, interest rate swaps, principal only swaps, forward contracts, interest rate caps to manage its interest rate risk and foreign currency risk arising from USD and EURO denominated External commercial borrowings and bonds. The derivative instruments are entered into for periods consistent with exposure of the underlying transactions:

Details of the derivative instruments are given below:

(Rs. in crores)

	As at March 31, 2020				As at March 31, 2019			
Particulars	**Notional amounts**	**Derivative assets**	**Notional amounts**	**Derivative liabilities**	**Notional amounts**	**Derivative assets**	**Notional amounts**	**Derivative liabilities**
Interest rate risk:								
Interest rate swaps	8,744.63	45.77	-	-	40.00	1.83	15.00	0.37
Interest rate caps	-	3.91	-	-	-	-	-	-
Foreign currency risk:								
Principal only swaps	1,769.50	11.50	-	-	-	-	-	-
Currency swaps	-	-	-	-	2,402.33	18.67	2,849.90	83.05
Forward contracts	8,018.44	378.05	-	-	374.86	1.22	-	-
Cross currency interest rate swaps	6,389.23	319.50	-	-	-	-	-	-
Total	**24,921.80**	**758.73**	**-**	**-**	**2,817.19**	**21.72**	**2,864.90**	**83.42**

11 RECEIVABLES

(I) Trade receivables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	10.50	8.48
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Total	**10.50**	**8.48**
Less: Allowances for impairment loss	-	-
Total	**10.50**	**8.48**

(II) Other receivables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured *	5.64	19.94
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	2.10	1.58
Total	**7.74**	**21.52**
Less: Allowances for impairment loss on credit impaired other receivables	2.10	1.58
Total	**5.64**	**19.94**

There is no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of **30** days.

*Includes receivables from associate Rs. Nil (March 31, 2019: Rs. 0.58 crores).

(Rs. in crores)

Trade receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2020	Estimated total gross carrying amount at default	-	10.22	0.28	-	-	-	**10.50**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	**-**	**10.22**	**0.28**	**-**	**-**	**-**	**10.50**
March 31, 2019	Estimated total gross carrying amount at default	7.98	0.07	0.43	-	-	-	**8.48**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	**7.98**	**0.07**	**0.43**	**-**	**-**	**-**	**8.48**

11 RECEIVABLES (Contd.)

The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.

(Rs. in crores)

Other receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2020	Estimated total gross carrying amount at default	-	2.46	1.73	1.71	0.31	1.53	**7.74**
	ECL-simplified approach	-	0.18	0.04	0.04	0.31	1.53	**2.10**
	Net carrying amount	**-**	**2.28**	**1.69**	**1.67**	**-**	**-**	**5.64**
March 31, 2019	Estimated total gross carrying amount at default	0.24	19.30	0.34	0.06	0.08	1.50	**21.52**
	ECL-simplified approach	-	-	-	-	0.08	1.50	**1.58**
	Net carrying amount	**0.24**	**19.30**	**0.34**	**0.06**	**-**	**-**	**19.94**

Reconciliation of impairment allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2018	**1.92**
Add: Addition during the year	-
(Less): Reduction during the year	(0.34)
Impairment allowance as per March 31, 2019	**1.58**
Add: Addition during the year	0.53
(Less): Reduction during the year	(0.01)
Impairment allowance as per March 31, 2020	**2.10**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
12 LOANS		
(A)		
Loans (at amortised cost)		
i) Term loans	105,073.08	99,444.62
ii) Others -Unsecured loans	3,428.63	2,862.87
Total (A) - Gross	**108,501.71**	**102,307.49**
Less : Impairment loss allowance	6,270.08	5,556.00
Total (A) - Net	**102,231.63**	**96,751.49**
(B)		
i) Secured by tangible assets	105,061.35	99,440.23
ii) Secured by deposits	11.73	4.39
iii) Unsecured	3,428.63	2,862.87
Total (B) - Gross	**108,501.71**	**102,307.49**
Less : Impairment loss allowance (refer note 62)	6,270.08	5,556.00
Total (B) - Net	**102,231.63**	**96,751.49**
(C) Loans in India		
i) Public sector	-	-
ii) Others		
Retail	107,959.44	101,790.38
Corporates	542.27	517.11
Total (C) - Gross	**108,501.71**	**102,307.49**
Less : Impairment loss allowance (refer note 62)	6,270.08	5,556.00
Total (C)- Net	**102,231.63**	**96,751.49**

12 LOANS (Contd.)

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 53.02.02.06.

(Rs. in crores)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total	Stage 1 collective	Stage 2 collective	Stage 3 collective	TOTAL
Internal rating grade								
Performing								
High grade	71,178.65	-	-	**71,178.65**	52,834.58	-	-	**52,834.58**
Standard grade	15,886.32	-	-	**15,886.32**	21,265.18	-	-	**21,265.18**
Sub-standard grade	-	10,002.10	-	**10,002.10**	-	13,607.30	-	**13,607.30**
Past due but not impaired	-	2,257.56	-	**2,257.56**	-	5,983.97	-	**5,983.97**
Non- performing	**-**	**-**	**9,177.08**	**9,177.08**	**0.13**	**0.06**	**8,616.27**	**8,616.46**
Total	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**

An analysis of changes in the gross carrying amount as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**	**70,398.28**	**16,865.67**	**8,934.46**	**96,198.41**
New assets originated or purchased	43,005.82	7,356.58	1,113.47	**51,475.87**	40,762.97	9,240.97	2,339.34	**52,343.28**
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(31,192.03)	(8,391.85)	(3,662.42)	**(43,246.30)**	(32,302.58)	(8,251.76)	(3,332.56)	**(43,886.90)**
Transfers to stage 1	30,922.99	(27,685.66)	(3,237.33)	-	7,333.10	(6,292.38)	(1,040.72)	-
Transfers to stage 2	(26,129.73)	30,711.25	(4,581.52)	-	(9,506.30)	10,374.80	(868.50)	-
Transfers to stage 3	(3,235.91)	(9,157.36)	12,393.27	-	(2,186.45)	(2,112.51)	4,298.96	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(406.06)	(164.63)	(1,464.66)	**(2,035.35)**	(399.13)	(233.46)	(1,714.71)	**(2,347.30)**
Gross carrying amount closing balance	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**

12 LOANS (Contd.)

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	General approach				General approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1,472.80	1,113.46	2,969.74	**5,556.00**	1,393.04	965.36	3,094.39	**5,452.79**
New assets originated or purchased	887.83	489.55	382.72	**1,760.10**	1,929.56	664.44	949.21	**3,543.21**
Transfers to stage 1	2,611.27	(1,581.05)	(1,030.22)	-	731.99	(376.75)	(355.24)	-
Transfers to stage 2	(524.43)	2,014.89	(1,490.46)	-	(192.27)	488.28	(296.01)	-
Transfers to stage 3	(63.94)	(552.01)	615.95	-	(47.46)	(138.55)	186.01	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(1,821.42)	(392.13)	3,202.88	**989.33**	(1,942.93)	(255.86)	1,106.09	**(1,092.70)**
Amounts written off	(406.06)	(164.63)	(1,464.66)	**(2,035.35)**	(399.13)	(233.46)	(1,714.71)	**(2,347.30)**
ECL allowance - closing balance	**2,156.05**	**928.08**	**3,185.95**	**6,270.08**	**1,472.80**	**1,113.46**	**2,969.74**	**5,556.00**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs. 1,447.19 crores at March 31, 2020 (March 31, 2019: Rs. 1,802.17 crores).

13 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total	Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total
i) Mutual funds *	-	3.02	-	**3.02**	-	323.82	-	**323.82**
ii) Government securities (refer note 64)	1,824.46	-	-	**1,824.46**	1,495.15	-	-	**1,495.15**
iii) Debt securities	52.67	-	-	**52.67**	52.67	-	-	**52.67**
iv) Equity instruments	-	3.36	-	**3.36**	-	3.58	-	**3.58**
v) Associates (at cost)	-	-	13.37	**13.37**	-	-	13.37	**13.37**
vi) Pass through certificates (unquoted)	942.79	-	-	**942.79**	877.81	-	-	**877.81**
vii) Certificate of deposits	-	-	-	-	-	1,231.71	-	**1,231.71**
viii) Others (venture capital fund)	-	1.04	-	**1.04**	-	0.97	-	**0.97**
Total Gross (A)	**2,819.92**	**7.42**	**13.37**	**2,840.71**	**2,425.63**	**1,560.08**	**13.37**	**3,999.08**
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	2,819.92	7.42	13.37	**2,840.71**	2,425.63	1,560.08	13.37	**3,999.08**
Total Gross (B)	**2,819.92**	**7.42**	**13.37**	**2,840.71**	**2,425.63**	**1,560.08**	**13.37**	**3,999.08**
Less : Allowance for impairment loss (C)	(42.23)	-	-	**(42.23)**	(0.01)	-	-	**(0.01)**
Total - Net D = (A) - (C)	**2,777.69**	**7.42**	**13.37**	**2,798.48**	**2,425.62**	**1,560.08**	**13.37**	**3,999.07**

More information regarding the valuation methodologies can be found in Note 52.10

* The Company received dividend of Rs. 0.19 crores (March 31, 2019: Rs. 4.99 crores) from its investments measured at fair value through profit or loss, recorded as dividend income.

13 INVESTMENTS (Contd.)

Investments carried at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system for investments carried at amortised cost are explained in note 53.02.

(Rs. in crores)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	2,767.25	-	-	**2,767.25**	2,425.63	-	-	**2,425.63**
Standard grade	-	-	-	-	-	-	-	-
Non-performing	-	-	-	-	-	-	-	-
Individually Impaired	-	52.67	-	**52.67**	-	-	-	-
Total	**2,767.25**	**52.67**	-	**2,819.92**	**2,425.63**	-	-	**2,425.63**

An analysis of changes in gross carrying amount and the corresponding ECLs on investments carried at amortised cost is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	2,425.63	-	-	**2,425.63**	2,267.04	52.67	-	**2,319.71**
New assets originated or purchased	1,190.59	-	-	**1,190.59**	798.22	-	-	**798.22**
Assets derecognised or matured (excluding write-offs)	(796.51)	-	-	**(796.51)**	(692.10)	-	-	**(692.10)**
Change in fair value	0.21	-	-	**0.21**	(0.20)	-	-	**(0.20)**
Transfers to stage 1	-	-	-	-	52.67	(52.67)	-	-
Transfers to stage 2	(52.67)	52.67	-	-	-	-	-	-
Closing balance	**2,767.25**	**52.67**	-	**2,819.92**	**2,425.63**	-	-	**2,425.63**

Investment carried at amortised cost

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**0.01**	-	-	**0.01**	-	**0.07**	-	**0.07**
New assets originated or purchased	-	-	-	-	-	-	-	-
Transfers to stage 1	-	-	-	-	0.07	(0.07)	-	-
Transfers to stage 2	(0.01)	0.01	-	-	-	-	-	-
Unwinding of discount (recognised in interest income)	-	0.93	-	**0.93**	-	-	-	-
Changes to models and inputs used for ECL calculations	23.79	17.50	-	**41.29**	(0.06)	-	-	**(0.06)**
Closing balance in ECL	**23.79**	**18.44**	-	**42.23**	**0.01**	-	-	**0.01**

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
14	**OTHER FINANCIAL ASSETS**		
	Security deposits*	45.15	36.88
	Total	**45.15**	**36.88**

*Net of allowance for impairment loss recognised on security deposit Rs. 0.60 crore (March 31, 2019: Rs. 1.28 crores).

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
15	**CURRENT TAX ASSETS (NET)**		
	Advance income tax [net of provision for income tax Rs. 2,910.66 crores (March 31, 2019: Rs. 2,909.82 crores)]	249.10	106.58
	Total	**249.10**	**106.58**

(Rs. in crores)

	Particulars	As at March 31, 2020			As at March 31, 2019		
		Freehold Land	Buildings	Total	Freehold Land	Buildings	Total
16	**INVESTMENT PROPERTY**						
	Gross block at cost						
	Opening balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
	Additions	-	-	-	-	-	-
	Disposals	-	-	-	-	-	-
	Closing balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
	Accumulated depreciation and impairment						
	Opening balance	**-**	**0.09**	**0.09**	**-**	**0.06**	**0.06**
	Depreciation charge for the year	-	0.03	**0.03**	-	0.03	**0.03**
	Disposals	-	-	-	-	-	-
	Closing balance	**-**	**0.12**	**0.12**	**-**	**0.09**	**0.09**
	Net carrying amount	**0.70**	**1.33**	**2.03**	**0.70**	**1.36**	**2.06**

(i) Amounts recognised in Statement of Profit and Loss for Investment property

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rental income from investment property	0.22	0.22
Direct operating expenses arising from investment property that generated rental income during the year	0.06	0.03
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-
Profit from investment property before depreciation	**0.16**	**0.19**
Depreciation charge for the year	0.03	0.03
Profit from investment property after depreciation	**0.13**	**0.16**

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The fair value of the investment property as at March 31, 2020 is Rs. 6.43 crores (March 31, 2019: Rs. 6.43 crores).

(iv) Pledged details

Investment property is not pledged.

16 INVESTMENT PROPERTY (Contd.)

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) Leasing arrangements

Investment properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

17 PROPERTY, PLANT AND EQUIPMENT

(Rs. in crores)

Particulars	Freehold Land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total
Gross block at cost									
As at April 01, 2018	**0.15**	**2.72**	**8.82**	**33.62**	**17.81**	**20.24**	**0.54**	**62.26**	**146.16**
Additions	0.50	0.78	1.86	19.20	8.40	6.73	-	31.92	**69.39**
Disposals	-	1.11	0.90	7.95	1.60	1.17	0.27	5.79	**18.79**
Adjustment*	-	-	-	-	0.01	-	-	(0.01)	-
As at March 31, 2019	**0.65**	**2.39**	**9.78**	**44.87**	**24.62**	**25.80**	**0.27**	**88.38**	**196.76**
Additions	-	-	1.53	17.66	9.12	5.38	-	22.74	**56.43**
Disposals	0.06	-	0.29	8.24	2.15	0.78	0.02	6.13	**17.67**
Adjustment*	-	-	0.07	-	-	0.29	-	(0.36)	-
As at March 31, 2020	**0.59**	**2.39**	**11.09**	**54.29**	**31.59**	**30.69**	**0.25**	**104.63**	**235.52**
Accumulated depreciation and impairment									
As at April 01, 2018	**-**	**0.04**	**1.00**	**5.70**	**4.66**	**1.96**	**0.03**	**14.54**	**27.93**
Charge for the year	-	0.05	1.36	12.37	4.98	2.84	0.08	20.24	**41.92**
Disposals	-	0.17	0.80	7.27	1.48	1.00	0.26	5.57	**16.55**
Adjustment*	-	-	-	-	0.01	-	-	(0.01)	-
As at March 31, 2019	**-**	**(0.08)**	**1.56**	**10.80**	**8.17**	**3.80**	**(0.15)**	**29.20**	**53.30**
Charge for the year	-	0.05	1.47	15.56	5.49	3.28	0.07	22.66	**48.58**
Disposals	-	-	0.23	7.44	1.98	0.66	0.01	5.92	**16.24**
Adjustment*	-	-	0.02	-	-	0.10	-	(0.12)	-
As at March 31, 2020	**-**	**(0.03)**	**2.82**	**18.92**	**11.68**	**6.52**	**(0.09)**	**45.82**	**85.64**
Net carrying amount as at March 31, 2019	**0.65**	**2.47**	**8.22**	**34.07**	**16.45**	**22.00**	**0.42**	**59.18**	**143.46**
Net carrying amount as at March 31, 2020	**0.59**	**2.42**	**8.27**	**35.37**	**19.91**	**24.17**	**0.34**	**58.81**	**149.88**

*Adjustment is on account of regrouping of property, plant and equipment and other intangible assets.

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2020 is Rs. 0.36 crores (March 31, 2019: Rs. 0.34 crores).

18 LEASES

A] This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in the balance sheet

The Balance sheet shows the following amounts relating to leases

Right-of-use assets

(Rs. in crores)

Particulars	As at March 31, 2020
Office premises	
As at March 31, 2019	-
Right-of-use assets on transition	371.83
Additions	71.36
Depreciation charge for the year	(91.17)
Deletions	(24.18)
Net carrying amount as at March 31, 2020	**327.84**

Lease liabilities

Maturity analysis of lease liabilities

(Rs. in crores)

Particulars	As at March 31, 2020
Less than 1 year	80.97
1 to 2 years	74.50
2 to 3 years	61.40
3 to 4 years	47.99
4 to 5 years	35.80
More than 5 years	62.15
Total	**362.81**

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to the lease contracts existing on April 01, 2019 using the modified retrospective approach, recognising right-of-use assets and adjusted lease liability. As per Ind AS 116, lease commitments are recognised as lease liability and need not be disclosed under contingent liabilities and commitments.

The Company has taken various office premises under lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

(Rs. in crores)

	Particulars	As at March 31, 2020
(ii)	**Amounts recognised in the Statement of Profit or Loss**	
	Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	91.17
	Interest expense (included in finance costs)	33.73
	Expense relating to short-term leases (included in other expenses)	9.88
	Expense relating to variable lease payments not included in lease liabilities (included in other expenses).	-
	Income from subleasing right-of-use assets(included in other income)	8.61
(iii)	**Gains or losses arising from sale and leaseback transactions**	-
(iv)	**The total cash outflow for leases during the year ended March 31, 2020**	110.46

The weighted average incremental borrowing rate of 9.09% has been applied to lease liabilities recognised in the balance sheet as at April 01, 2019 .

The difference between the operating lease commitments disclosed applying Ind AS 17 as of March 31, 2019 and the value of the lease liability arrived using the incremental borrowing rate as of April 01, 2019 is primarily on account of exclusion of short term leases in measuring the lease liability in accordance with Ind AS 116.

18 LEASES (Contd.)

The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

B] This note provides information for leases where the Company is a lessor.

The Company has given office premises under lease. The income from lease recognised in the Statement of Profit and Loss are Rs. 0.22 crore (March 31, 2019: Rs. 0.22 crore). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

Future minimum lease receivables under non-cancellable leases as at March 31, 2020 are as follows:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	0.16	0.15
After one year but not more than five years	0.42	0.58
More than five years	-	-
Total	**0.58**	**0.73**

(Rs. in crores)

Particulars	Computer software
19 OTHER INTANGIBLE ASSETS #	
Gross block at cost	
As at April 01, 2018	**2.63**
Additions	1.36
Disposals	1.93
As at March 31, 2019	**2.06**
Additions	1.96
Disposals	-
As at March 31, 2020	**4.02**
Accumulated amortisation and impairment:	
As at April 01, 2018	**0.89**
Charge for the year	1.03
Disposals	1.83
Adjustment*	0.00
As at March 31, 2019	**0.09**
Charge for the year	1.26
Disposals	-
As at March 31, 2020	**1.35**
Net carrying amount as at March 31, 2019	**1.97**
Net carrying amount as at March 31, 2020	**2.67**

* Adjustment is on account of regrouping of property, plant and equipment and other intangible assets

Other than internally generated

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
20 OTHER NON-FINANCIAL ASSETS		
Deferred lease rental	-	8.67
Goods and services tax credit (input) receivable	66.86	52.06
Prepaid expenses	8.21	8.32
Capital advances	0.86	3.04
Duties paid under protest	86.40	64.68
Other non-financial assets	7.24	6.89
Total	**169.57**	**143.66**

21 PAYABLES

Trade payables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	0.40	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises*	143.44	133.46
Total	**143.84**	**133.46**

*Includes payable to associate Rs. 0.41 crores (March 31, 2019: Rs. Nil).

Other payables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.13	2.72
Total	**1.13**	**2.72**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
22 DEBT SECURITIES		
At amortised cost		
Secured		
Redeemable non-convertible debentures		
- Public issue ¥	5,796.78	5,770.85
- Privately placed ¥¥	14,204.14	19,127.33
External commercial bond	12,607.01	2,769.96
Senior secured notes	1,204.92	2,564.99
Unsecured		
Redeemable non-convertible debentures		
- Privately placed	454.11	444.83
Commercial papers	-	3,503.80
Total	**34,266.96**	**34,181.76**
Debt securities in India	20,455.03	28,846.81
Debt securities outside India	13,811.93	5,334.95
Total	**34,266.96**	**34,181.76**

¥ includes Rs. 40.50 crores (March 31, 2019 Rs.14.49 crores) issued to related parties including Directors.

¥¥ includes Rs. Nil (March 31, 2019 Rs. 82.81 crores) issued to related parties.

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
23 BORROWINGS (OTHER THAN DEBT SECURITIES)		
At amortised cost		
Secured		
Term loan from banks - INR	13,259.27	11,831.39
Term loan from banks - FCNR	-	411.52
Term loan from financial institutions/corporates - INR	1,446.29	3,413.04
External commercial borrowing - FCNR	4,300.61	2,376.53
Loans repayable on demand from banks (Cash credit from banks)	2,016.39	1,418.30
Other loans - INR -Securitisation liabilities	21,452.04	17,738.52
Total	**42,474.60**	**37,189.30**
Borrowings in India	38,173.99	34,401.25
Borrowings outside India	4,300.61	2,788.05
Total	**42,474.60**	**37,189.30**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
24 DEPOSITS		
At amortised cost		
Unsecured		
Deposits		
i. Public deposits *	11,768.48	10,169.76
ii. From corporate **	152.22	145.32
iii. Inter-corporate deposits from associate	39.42	26.38
Total	**11,960.12**	**10,341.46**

* includes Rs. 1.58 crores (March 31, 2019 Rs. 1.42 crores) accepted from related parties including Director.

** includes Rs. 1.55 crores (March 31, 2019 Rs. 14.99 crores) accepted from related parties.

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
25 SUBORDINATED LIABILITIES		
At amortised cost		
Unsecured		
Subordinated debts - Debentures #	5,138.00	5,243.09
Subordinated debts - Bonds ##	532.07	958.79
Total	**5,670.07**	**6,201.88**
Subordinated debts in India	5,670.07	6,201.88
Subordinated debts outside India	-	-
Total	**5,670.07**	**6,201.88**

includes Rs. 422.19 crores (March 31, 2019 Rs. 470.39 crores) issued to related parties.

includes Rs. 3.17 crores (March 31, 2019 Rs. 5.92 crores) issued to related parties.

I DEBT SECURITIES

A) Redeemable non-convertible debenture (NCD) -secured

i) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2013)-2

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	-	104.94	-	**104.94**
Total	**-**	**104.94**	**-**	**104.94**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	-	100.99	-	**100.99**
Total	**-**	**100.99**	**-**	**100.99**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 500.00 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

As per the terms of the issue NCD 2013 (2) Rs. 114.68 crores were redeemed on October 23, 2018.

As per the terms of the issue Rs. 294.01 crores were redeemed on October 24, 2016.

ii) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2014)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	35.05	198.45	-	**233.50**
Total	**35.05**	**198.45**	**-**	**233.50**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
24-36 months	-	227.59	-	**227.59**
12-24 months	27.80	437.16	-	**464.96**
Total	**27.80**	**664.75**	**-**	**692.55**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 1,974.85 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

I DEBT SECURITIES (Contd.)

As per the terms of the issue Rs. 427.15 crores were redeemed on July 15, 2019.

As per the terms of the issue Rs. 1,348.33 crores were redeemed on July 15, 2017.

iii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 1)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	496.11	-	-	**496.11**
36-48 months	825.13	-	-	**825.13**
12-24 months	2,427.46	-	-	**2,427.46**
Total	**3,748.70**	**-**	**-**	**3,748.70**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	609.81	-	-	**609.81**
48-60 months	813.37	-	-	**813.37**
24-36 months	2,407.61	-	-	**2,407.61**
Total	**3,830.79**	**-**	**-**	**3,830.79**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 3,648.52 crores raised from public issue (net off expenses) towards repayment of borrowings as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 107.40 crores were redeemed on December 26, 2019

iv) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 2)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.51	-	-	**71.51**
36-48 months	262.12	-	-	**262.12**
12-24 months	-	295.02	-	**295.02**
Total	**333.63**	**295.02**	**-**	**628.65**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.59	-	-	**71.59**
48-60 months	254.12	-	-	**254.12**
24-36 months	-	288.65	-	**288.65**
Total	**325.71**	**288.65**	**-**	**614.36**

I DEBT SECURITIES (Contd.)

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 606.79 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

v) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 3)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.87	-	-	**59.87**
36-48 months	232.06	-	-	**232.06**
12-24 months	-	253.76	-	**253.76**
Total	**291.93**	**253.76**	**-**	**545.69**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.73	-	-	**59.73**
48-60 months	226.96	-	-	**226.96**
24-36 months	-	245.47	-	**245.47**
Total	**286.69**	**245.47**	**-**	**532.16**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 537.32 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

vi) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 1)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	20.48	41.75	-	**62.23**
48-60 months	33.47	66.95	-	**100.42**
24-36 months	41.21	86.90	-	**128.11**
12-24 months	-	54.98	-	**54.98**
Total	**95.16**	**250.58**	**-**	**345.74**

Outstanding as at March 31, 2019 is Rs. Nil.

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 339.94 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

I DEBT SECURITIES (Contd.)

vii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 2)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
Over 60 months	26.19	-	-	**26.19**
48-60 Months	64.80	-	-	**64.80**
24-36 months	78.09	20.48	-	**98.57**
Total	**169.08**	**20.48**	**-**	**189.56**

Outstanding as at March 31, 2019 is Rs. Nil.

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 193.67 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

viii) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10%* ¥^	>= 10% < 12% *^	>= 12% < 14%	>=14% <16%	
over 60 months	524.89	-	-	-	**524.89**
48-60 months	154.80	1,299.08	-	-	**1,453.88**
36-48 months	210.38	172.02	-	-	**382.40**
24-36 months	1,780.18	202.41	148.38	-	**2,130.97**
12-24 months ^	4,481.32	804.89	-	-	**5,286.21**
upto 12 months *¥^	4,045.92	379.87	-	-	**4,425.79**
Total	**11,197.49**	**2,858.27**	**148.38**	**-**	**14,204.14**

* Includes 1 NCD of Rs. 666.00 crores partly paid to the extent of Rs. 666,000/- (50% redeemed)

* Includes 1 NCD of Rs. 25.00 crores partly paid to the extent of Rs. 111,111.11

^NCD amounting to Rs. 1,867.30 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under (Rs. in crores)

Sr No	Rate of interest	Amount	Put/Call option date
1	8.87%	110.00	August 7, 2020
Total		**110.00**	

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10% *^¥	>= 10% < 12% ^	>= 12% < 14%	>=14% <16%	
over 60 months	692.23	1,334.80	-	-	**2,027.03**
48-60 months	210.24	190.84	-	-	**401.08**
36-48 months ^	1,522.76	-	145.77	-	**1,668.53**
24-36 months ^¥	4,687.66	220.02	-	-	**4,907.68**
12-24 months*^¥	2,227.78	980.85	199.10	13.61	**3,421.34**
upto 12 months ¥^	6,701.67	-	-	-	**6,701.67**
Total	**16,042.34**	**2,726.51**	**344.87**	**13.61**	**19,127.33**

* Includes 1 NCD of Rs. 300.00 crores partly paid to the extent of Rs. 500,000/-

* Includes 3 NCD of Rs. 80.00 crores partly paid to the extent of Rs. 50,000/-

* Includes 2 NCD of Rs. 90.00 crores partly paid to the extent of Rs. 60,000/-

I DEBT SECURITIES (Contd.)

* Includes 1 NCD of Rs. 666.00 crores partly paid to the extent of Rs. 666,000/-

* Includes 1 NCD of Rs. 25.00 crores partly paid to the extent of Rs.111,111.11

* Includes 1 NCD of Rs. 15.00 crores partly paid to the extent of Rs. 100,000/-

^NCD amounting to Rs. 2,177.00 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under (Rs. in crores)

Sr No	Rate of interest	Amount	Put/Call option date
1	8.87%	110.00	August 7, 2020
2	8.10%	300.00	March 23, 2020
3	8.79%	45.00	May 22, 2019
Total		**455.00**	

Nature of security

Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

(Rs. in crores)

Total non-convertible debentures- secured	As at March 31, 2020	As at March 31, 2019
Public issue (i+ii+iii+iv+v+vi+vii)	5,796.78	5,770.85
Privately placed (viii)	14,204.14	19,127.33
Total non-convertible debentures- secured	**20,000.92**	**24,898.18**

B) External commercial bond (ED) Secured

Privately Placed Redeemable External commercial bond of Rs. 100,000/- each

Terms of repayment as on March 31, 2020 (Rs. in crores)

Detail	< 10%	>= 10% < 12%	Total
36-48 months	3,808.17	-	**3,808.17**
24-36 months	5,772.26	-	**5,772.26**
12-24 months	-	3,026.58	**3,026.58**
Total	**9,580.43**	**3,026.58**	**12,607.01**

Terms of repayment as on March 31, 2019 (Rs. in crores)

Detail	Rate of interest	Total
24-36 months	>=10% <12%	**2,769.96**
Total		**2,769.96**

During the year ended March 31, 2020, the Company issued and allotted USD 250,000,000 5.3750% senior secured notes due 2022 in offshore market (notes) equivalent to Rs. 1,714.38 crores under USD 2,000,000,000 Global Medium Term Note Programme. The said notes are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the notes have been utilised for the purpose of onward lending and other activities as may be permitted by the ECB Directions.

During the year ended March 31, 2020, the Company issued and allotted USD 500,000,000 5.100% senior secured notes due 2023 in offshore market (Social Bonds) equivalent to Rs. 3,541.75 crores under USD 3,000,000,000 Global Medium Term Note Programme. The said Social Bonds are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the Social Bonds have been utilised for the purpose of onward lending and other activities as per the Company's Social Finance Framework and as may be permitted by the ECB Directions.

During the year ended March 31, 2019, the Company issued and allotted senior secured notes in offshore market (notes) aggregating to INR 2,849.90 crores consisting of 5.70% notes due 2022 under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue have been utilised for the purpose of onward disbursements.

I DEBT SECURITIES (Contd.)

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

C) Senior secured notes

Senior secured notes of Rs. 10,000,000/- each

Terms of repayment

(Rs. in crores)

Detail	Rate of interest	As at March 31, 2020	As at March 31, 2019
48-60 months	<10%	-	882.97
36-48 months	<10%	885.54	-
24-36 months	<10%	-	317.48
12-24 months	<10%	-	1,364.54
upto 12 months	<10%	319.38	-
Total		**1,204.92**	**2,564.99**

During the year ended March 31, 2018, the Company had issued senior secured notes in offshore market (notes) aggregating to INR 1,160 crores consisting of INR 840 crores 8.10% notes due 2023 and INR 320 crores 7.90% notes due 2021 payable in US dollars under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST).

The Company had utilised the entire sum of Rs. 1,160.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

During the year ended March 31, 2017, the Company had issued Rs. 1,350.00 crores 8.25 % senior secured notes at the price of 100.18% that are due for repayment on February 18, 2020. The said notes (with ISIN - XS 1549374475) are listed and traded on the Singapore Exchange (SGX-ST) with a minimum board lot size of S $200,000.

The Company had utilised the entire sum of Rs. 1,350.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

As per the terms of the issue, Rs. 1,350.00 crores were redeemed on February 18, 2020.

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

D) Redeemable non-convertible debenture (NCD) -unsecured

i) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
48-60 months	-	-	454.11	**454.11**
Total	**-**	**-**	**454.11**	**454.11**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	-	-	444.83	**444.83**
Total	**-**	**-**	**444.83**	**444.83**

I DEBT SECURITIES (Contd.)

E) Commercial paper (CP) - unsecured

Privately placed redeemable commercial paper of Rs. 500,000/- each

Terms of repayment as on March 31, 2020

Outstanding as at March 31, 2020 is Rs. Nil.

Terms of repayment as on March 31, 2019 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
upto 12 months	3,503.80	-	-	**3,503.80**
Total	**3,503.80**	**-**	**-**	**3,503.80**

II BORROWINGS (other than debt securities)

A) Term loans from banks -secured (INR)

As at March 31, 2020

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.50% to 9.50%	20 instalments of quarterly frequency	2,265.25
36-48 months	8.91% to 9.68%	20 instalments of quarterly frequency	583.49
24-36 months	8.11% to 9.63%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	2,469.48
12-24 months	7.00% to 9.90%	1 to 20 instalments of bullet, quarterly and specific frequency	3,112.87
upto 12 months	7.47% to 12.25%	1 to 36 instalments of bullet, monthly, quarterly, half-yearly and specific frequency	4,828.18
Total			**13,259.27**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2019

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.50% to 10.74%	20 to 21 instalments of quarterly frequency	749.37
36-48 months	8.56% to 9.48%	20 instalments of quarterly frequency	2,343.59
24-36 months	8.30% to 9.85%	12 to 20 instalments of quarterly and specific frequency	2,169.61
12-24 months	8.45% to 10.35%	7 to 36 instalments of monthly, quarterly and specific frequency	2,256.55
upto 12 months	7.75% to 10.76%	1 to 48 instalments of bullet, monthly, quarterly, half-yearly and yearly frequency	4,312.27
Total			**11,831.39**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (other than debt securities) (Contd.)

B) Term loans from banks -secured (FCNR)

As at March 31, 2020

Outstanding as at March 31, 2020 is Rs. Nil.

As at March 31, 2019

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
upto 12 months	2.59% to 9.37%	1 to 10 instalments of bullet, quarterly and specific frequency	411.52
Total			**411.52**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

C) Term loans from financial institutions/corporates -secured (INR)

As at March 31, 2020

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	10.20%	11 instalments of specific frequency	227.76
36-48 months	10.50%	11 instalments of specific frequency	461.02
12-24 months	7.95% to 9.21%	11 to 20 instalments of quarterly and specific frequency	646.94
upto 12 months	8.60% to 9.29%	1 to 20 instalments of bullet and quarterly frequency	110.57
Total			**1,446.29**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2019

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	10.20%	11 instalments of half-yearly and specific frequency	320.35
48-60 months	10.50%	11 instalments of half-yearly and specific frequency	712.29
36-48 months	8.40% to 9.98%	11 to 20 instalments of quarterly and specific frequency	1,121.92
12-24 months	8.75% to 9.27%	1 to 20 instalments of bullet and quarterly frequency	771.76
upto 12 months	8.60% to 10.50%	1 to 20 instalments of bullet, quarterly and half-yearly frequency	486.72
Total			**3,413.04**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (other than debt securities) (Contd.)

D) External commercial borrowing

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.63% to 11.06%	11 to 13 instalments of half-yearly and specific frequency	1,694.61
36-48 months	9.83% to 10.02%	Bullet frequency	2,606.00
Total			**4,300.61**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2019

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	9.83% to 10.02%	Bullet frequency	2,376.53
Total			**2,376.53**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

E) Other loans - INR -Securitisation liabilities

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
above 60 months	9.40% to 10.02%	1 to 57 instalments monthly frequency	676.13
48-60 months	7.99% to 10.97%	1 to 63 instalments monthly frequency	9,882.22
36 - 48 months	8.32% to 10.56%	1 to 61 instalments monthly frequency	6,053.47
24 - 36 months	6.90% to 8.87%	1 to 60 instalments monthly frequency	2,526.03
12 - 24 months	7.00% to 7.53%	1 to 55 instalments monthly frequency	303.11
below 12 months	8.28% to 10.21%	1 to 57 instalments monthly frequency	2,011.08
Total			**21,452.04**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2019

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.31% to 10.38%	1 to 61 instalments of monthly frequency	9,473.46
36 - 48 months	6.90% to 8.81%	1 to 60 instalments of monthly frequency	5,795.92
24 - 36 months	7.00% to 8.51%	1 to 55 instalments of monthly frequency	2,170.32
12 - 24 months	7.54% to 8.30%	1 to 55 instalments of monthly frequency	298.82
Total			**17,738.52**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (other than debt securities) (Contd.)

F) Loans repayable on demand from banks (Cash credit from banks)

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2020
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.00 % to 11.40 %	2,016.39
Total		**2,016.39**

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2019
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.10 % to 11.95 %	1,418.30
Total		**1,418.30**

III DEPOSITS

A) Deposits from public - unsecured -[refer note 64]

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,010.22	-	**1,010.22**
36-48 months	1,140.06	-	**1,140.06**
24-36 months	3,089.58	-	**3,089.58**
12-24 months	3,766.76	-	**3,766.76**
upto 12 months	2,761.85	-	**2,761.85**
Total	**11,768.47**	**-**	**11,768.47**

Terms of repayment as on March 31, 2019 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,050.68	-	**1,050.68**
36-48 months	944.76	-	**944.76**
24-36 months	3,583.09	-	**3,583.09**
12-24 months	2,201.39	-	**2,201.39**
upto 12 months	2,093.31	296.53	**2,389.84**
Total	**9,873.23**	**296.53**	**10,169.76**

III DEPOSITS (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Deposits from public	11,768.47	10,169.76

B) Deposits from corporates - unsecured

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	4.53	-	**4.53**
36-48 months	2.16	-	**2.16**
24-36 months	18.08	-	**18.08**
12-24 months	71.44	-	**71.44**
upto 12 months	56.01	-	**56.01**
Total	**152.22**	**-**	**152.22**

Terms of repayment as on March 31, 2019 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	16.54	-	**16.54**
36-48 months	6.13	-	**6.13**
24-36 months	24.02	-	**24.02**
12-24 months	35.17	-	**35.17**
upto 12 months	63.12	0.34	**63.46**
Total	**144.98**	**0.34**	**145.32**

C) Inter-corporate deposits from associate (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2020
upto 12 months	7.50%	Bullet repayment	39.42
Total			**39.42**

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2019
upto 12 months	9.50%	Bullet repayment	26.38
Total			**26.38**

IV SUBORDINATED LIABILITIES

A) Subordinated liabilities -unsecured - Bonds

i) Privately placed subordinated debts of Rs. 1,000/- each

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	532.07	-	**532.07**
Total	**-**	**532.07**	**-**	**532.07**

IV SUBORDINATED LIABILITIES (Contd.)

Terms of repayment as on March 31, 2019 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
12-24 months	-	492.67	-	**492.67**
upto 12 months	-	466.12	-	**466.12**
Total	-	**958.79**	-	**958.79**

(Rs. in crores)

Subordinated liabilities (unsecured) - Bonds	As at March 31, 2020	As at March 31, 2019
Privately placed	532.07	958.79
Total Subordinated liabilities (unsecured) - Bonds	**532.07**	**958.79**

B) Subordinated liabilities -unsecured - Debentures

i) Privately placed subordinated liabilities of Rs. 100,000/- each

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	74.94	-	**74.94**
Total	-	**74.94**	-	**74.94**

Terms of repayment as on March 31, 2019 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
12-24 months	-	74.92	-	**74.92**
upto 12 months	-	67.04	-	**67.04**
Total	-	**141.96**	-	**141.96**

ii) Privately placed subordinated liabilities of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,570.91	135.51	-	**1,706.42**
48-60 months	40.97	531.22	1,609.30	**2,181.49**
36-48 months	-	332.37	-	**332.37**
24-36 months	-	308.85	-	**308.85**
12-24 months	-	-	51.86	**51.86**
upto 12 months	-	482.07	-	**482.07**
Total	**1,611.88**	**1,790.02**	**1,661.16**	**5,063.06**

Terms of repayment as on March 31, 2019 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,611.01	662.08	1,580.12	**3,853.21**
48-60 months	-	332.10	-	**332.10**
36-48 months	-	308.59	-	**308.59**
24-36 months	-	-	51.77	**51.77**
12-24 months	-	481.33	-	**481.33**
upto 12 months	-	74.13	-	**74.13**
Total	**1,611.01**	**1,858.23**	**1,631.89**	**5,101.13**

IV SUBORDINATED LIABILITIES (Contd.)

(Rs. in crores)

Subordinated liabilities (unsecured) - Debentures	As at March 31, 2020	As at March 31, 2019
Privately placed (i+ii)	5,138.00	5,243.09
Total Subordinated liabilities (unsecured) - Debentures	**5,138.00**	**5,243.09**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
26 OTHER FINANCIAL LIABILITIES		
Investor education and protection fund shall be credited by the following amounts (as and when due)		
- Unclaimed dividend	10.57	10.69
- Unclaimed matured deposits and interest accrued thereon	150.02	173.40
- Unclaimed matured debentures and interest accrued thereon	15.45	18.33
- Unclaimed matured subordinated debts and interest accrued thereon	81.69	46.61
Temporary credit balance in bank accounts	26.63	68.95
Payable on account of assignment	78.78	131.67
Payable to dealers	0.99	6.20
Payable to employees	146.41	125.15
Retention money and other sundry liabilities	217.27	217.73
Other liabilities *	184.51	217.75
Total	**912.32**	**1,016.48**

* Other liabilities include amount payable to Banks for credit card payments, settlement dues payable to resigned employees.

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
27 CURRENT TAX LIABILITIES (NET)		
For taxation [net of advance tax Rs. 1,077.82 crores (March 31, 2019: Rs. 2.64 crores)]	102.02	102.97
Total	**102.02**	**102.97**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
28 PROVISIONS		
For employee benefits		
For gratuity (refer note 46)	3.37	1.28
For compensated absences (leave encashment and availment)	34.06	27.47
For others		
For undrawn loan commitment	16.15	11.76
For taxes- contested	92.75	92.75
Total	**146.33**	**133.26**

28 PROVISIONS (Contd.)

Financial guarantee obligation

An analysis of changes in the gross carrying amount in relation to financial guarantee exposure is, as follows:

Gross exposure reconciliation

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance of outstanding exposure	-	**871.76**
Additions	-	-
Deletions	-	(871.76)
Closing balance of outstanding exposure	-	-

Reconciliation of ECL on financial guarantee obligation is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2020 Simplified approach	Year ended March 31, 2019 Simplified approach
Financial guarantee obligation - opening balance	-	**72.93**
Additions	-	-
Deletions	-	(72.93)
Financial guarantee obligation - closing balance	-	-

Loan commitments

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53.02.02.06.

(Rs. in crores)

Particulars	As at March 31, 2020 Stage 1 Collective	As at March 31, 2019 Stage 1 Collective
Internal rating grade		
Performing		
High grade	311.87	471.92
Total	**311.87**	**471.92**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

(Rs. in crores)

Particulars	Year ended March 31, 2020 Stage 1	Year ended March 31, 2019 Stage 1
Opening balance of outstanding exposure	**471.92**	**124.86**
New exposures	233.39	449.02
Exposures derecognised or matured/repaid (excluding write offs)	(393.44)	(101.96)
Closing balance of outstanding exposure	**311.87**	**471.92**

28 PROVISIONS (Contd.)

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	General approach	General approach
	Stage 1	Stage 1
ECL allowance - opening balance	11.76	5.05
New exposures	10.78	11.13
Exposures derecognised or matured (excluding write offs)	(6.39)	(4.42)
ECL allowance - closing balance	**16.15**	**11.76**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
29 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues payable	73.96	54.87
Advance from customers	9.32	14.62
Total	**83.28**	**69.49**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
30 EQUITY SHARE CAPITAL		
Authorised:		
647,000,000 (March 31, 2019: 647,000,000) equity shares of Rs.10/- each	647.00	647.00
95,000,000 (March 31, 2019: 95,000,000) preference shares of Rs.100/- each	950.00	950.00
	1,597.00	**1,597.00**
Issued share capital		
226,888,877 (March 31, 2019: 226,936,877) equity shares of Rs. 10/- each	226.89	226.94
Subscribed share capital		
226,882,736 (March 31, 2019: 226,930,736) equity shares of Rs. 10/- each	226.88	226.93
Paid up (fully paid up)		
Equity shares		
226,882,736 (March 31, 2019: 226,882,736) equity shares of Rs. 10/- each fully paid up	226.88	226.88
	226.88	**226.88**
Nil [March 31, 2019: 48,000 equity shares of Rs.10/- each (Rs. 5/- each paid up forfeited)] *	-	0.02
Total Equity	**226.88**	**226.90**

* The shareholders in their 40th annual general meeting held on June 27, 2019 considered and approved the cancellation of the forfeited shares from the issued and subscribed share capital of the Company.

30 EQUITY SHARE CAPITAL (Contd.)

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2018	**226,882,736**	**226.88**
Issued during the year	-	-
As at March 31, 2019	**226,882,736**	**226.88**
Issued during the year	-	-
As at March 31, 2020	**226,882,736**	**226.88**

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2020, the total dividend per equity share proposed for distribution to equity shareholders is Rs. 5.00 (March 31, 2019 : Rs. 12.00). Out of the said total dividend proposed for the year ended March 31, 2020, amount of interim dividend paid during the year was Rs. 5.00 (March 31, 2019 : Rs. 5.00) per equity share and amount of final dividend proposed by the Board of Directors is Rs. Nil (March 31, 2019: Rs. 7.00) per equity share. The Board of Directors at its meeting held on October 24, 2019, had declared interim dividend of Rs. 5/- per equity share of Rs. 10/- each for the financial year 2019-2020. The payment was made on November 19, 2019. In order to conserve cash resources to face the challenges and the contingencies created by Corona virus pandemic, the Board of Directors have not recommended the final dividend. As such, the interim dividend shall be the final dividend for the financial year 2019-20.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Nil.

d. Details of shareholders holding more than 5% equity shares in the Company

Details of shareholding	As at March 31, 2020		As at March 31, 2019	
Name of the shareholder	**Number of shares**	**% holding**	**Number of shares**	**% holding**
Equity shares of Rs. 10/- each				
Shriram Capital Limited	59,504,947	26.23%	59,173,023	26.08%
Piramal Enterprises Limited	Nil	Nil	22,600,000	9.96%

e. Refer note 51- Capital management for the Company's objectives, policies and processes for managing capital

f. Proposed dividends on equity shares:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Proposed dividend on equity shares for the year ended on March 31, 2020: Rs. Nil per share (March 31, 2019: Rs. 7.00 per share)	-	158.82
Tax on proposed dividend	-	32.65
Total	**-**	**191.47**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
31 OTHER EQUITY		
Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
Opening Balance	**3,168.55**	**2,654.55**
Add: Transfer from retained earnings	500.38	514.00
Closing balance	**3,668.93**	**3,168.55**
Securities premium account	**1,754.81**	**1,754.81**
Capital reserve		
Opening Balance	**27.62**	**27.62**
Add: Transfer from share forfeiture account	0.02	-
Closing balance	**27.64**	**27.62**
Capital redemption reserve	**53.88**	**53.88**
Debenture redemption reserve		
Opening Balance	**374.62**	**216.59**
Add: Transfer from retained earnings	345.26	251.47
Less: Transfer to retained earnings on account of redemption	(109.47)	-
Less: Transfer to general reserve on account of redemption	-	(93.44)
Closing balance	**610.41**	**374.62**
General reserve		
Opening Balance	**2,164.35**	**1,813.91**
Add: Transfer from retained earnings	250.19	257.00
Add: Transfer from debenture redemption reserve	-	93.44
Closing balance	**2,414.54**	**2,164.35**
Other comprehensive income		
Opening balance	**(4.92)**	**(2.60)**
Add: Other comprehensive income / (loss) for the year (net of tax)	(4.74)	(2.32)
Closing balance	**(9.66)**	**(4.92)**
Retained earnings		
Opening balance	**8,070.47**	**6,829.82**
Add: Profit for the current year	2,501.84	2,563.99
Add / Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(500.38)	(514.00)
Transfer to general reserve	(250.19)	(257.00)
Transfer to/from debenture redemption reserve	(235.79)	(251.47)
Interim dividend	(113.44)	(113.44)
Tax on interim dividend	(23.32)	(23.32)
Final dividend	(158.82)	(136.13)
Tax on final dividend	(32.64)	(27.98)
Total appropriations	**(1,314.58)**	**(1,323.34)**
Retained earnings	**9,257.73**	**8,070.47**
Total	**17,778.28**	**15,609.38**

Nature and purpose of reserves

Securities premium account: The amount received in excess of face value of the equity shares is recognised in Securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

Capital redemption reserve: The Company has recognised Capital redemption reserve on redemption of non-convertible redeemable preference shares from its retained earnings. The amount in Capital redemption reserve is equal to nominal

31 OTHER EQUITY (Contd.)

amount of the non-convertible redeemable preference shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve.

Debenture redemption reserve:

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture redemption reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the Balance sheet date.

(2) As per the notification G.S.R. 574(E) dated August 16, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR need not be created for debentures issued by a Non-Banking Finance Company subsequent to the notification date. The Company has not created DRR on public issue of non-convertible debentures issued after the date of said notification.

(3) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 345.26 crores (March 31, 2019: Rs. 251.47 crores). The Company subsequent to the year end has deposited a sum of Rs. 15.84 crores (March 31, 2019: Rs. 70.00 crores) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

(4) On redemption of the debentures for which the DRR is created, the amounts no longer necessary to be retained in this account need to be transferred to the Retained earnings.

General reserve: Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory reserve: Every year the Company transfers a of sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

(Rs. in crores)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
32 INTEREST INCOME						
Interest on loans	15,690.72	-	**15,690.72**	14,945.10	-	**14,945.10**
Interest income from investments	214.53	1.00	**215.53**	182.27	0.98	**183.25**
Interest on deposits with banks						
- Margin money deposit	208.75	-	**208.75**	159.78	-	**159.78**
- Deposits with banks	66.95	-	**66.95**	4.08	-	**4.08**
Other interest income						
- delayed payments by customers	60.52	-	**60.52**	33.88	-	**33.88**
- unwinding of security deposit	3.05	-	**3.05**	0.46	-	**0.46**
- direct assignment	21.94	-	**21.94**	9.14	-	**9.14**
Total	**16,266.46**	**1.00**	**16,267.46**	**15,334.71**	**0.98**	**15,335.69**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
33 FEE AND COMMISSION INCOME		
Income from loan related services	73.53	55.30
Income from commission services- life insurance	20.39	23.67
Income from commission services- general insurance	63.58	40.80
Income from commission services- others	37.47	6.83
Total	**194.97**	**126.60**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to statement of profit and loss

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Type of services or service		
Fee and commission income	194.97	126.60
Total revenue from contract with customers	**194.97**	**126.60**
Geographical markets		
India	194.97	126.60
Outside India	-	-
Total revenue from contract with customers	**194.97**	**126.60**
Timing of revenue recognition		
Services transferred at a point in time	194.97	126.60
Services transferred over time	-	-
Total revenue from contracts with customers	**194.97**	**126.60**

33 FEE AND COMMISSION INCOME (Contd.)

Contract balance

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	10.50	8.48
Contract assets	-	-

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
34 NET GAIN/ (LOSS) ON FAIR VALUE CHANGES		
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others:		
- Investment in shares, venture capital fund and mutual funds	(0.87)	0.52
- Derivatives	(5.88)	(3.10)
Total Net gain/(loss) on fair value changes (C)	**(6.75)**	**(2.58)**
Fair value changes:		
- Realised	-	-
- Unrealised	(6.75)	(2.58)
Total Net gain/(loss) on fair value changes(D)	**(6.75)**	**(2.58)**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
35 OTHER OPERATING INCOME		
Bad debt recovery	80.73	24.17
Short term capital gain on sale of mutual funds and certificate of deposits	18.79	37.48
Total	**99.52**	**61.65**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
36 OTHER INCOME		
Interest on income tax refund	5.80	6.66
Profit on sale of assets	1.17	-
Miscellaneous income	13.30	20.85
Total	**20.27**	**27.51**

(Rs. in crores)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
37	**FINANCE COSTS**		
	On Financial liabilities measured at amortised cost		
	Interest on deposits	973.80	841.66
	Interest on borrowings (other than debt securities)		
	- Loans from banks	1,251.44	1,392.08
	- Loans from institutions and others	217.98	298.06
	- External commercial borrowings	461.83	151.45
	- Interest paid on securitisation	1,743.54	1,320.14
	Interest on debt securities		
	- Debentures	1,950.39	2,257.32
	- Senior secured notes	214.37	227.55
	- External commercial bond	656.82	27.91
	- Commercial paper	104.50	445.20
	Interest on subordinated liabilities	661.86	549.89
	Other interest expense		
	- Interest on lease liability	33.73	-
	Total	**8,270.26**	**7,511.26**

(Rs. in crores)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
38	**FEE AND COMMISSION EXPENSE**		
	Brokerage	9.23	14.78
	Professional charges-resource mobilisation	29.29	24.25
	Processing charges on loans	1.89	2.20
	Professional charges on securitisation	16.47	20.96
	Total	**56.88**	**62.19**

(Rs. in crores)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
39	**IMPAIRMENT OF FINANCIAL INSTRUMENTS**		
	On financial instruments measured at amortised cost		
	Loans (refer note 62)	2,748.87	2,450.51
	Investments	42.22	(0.06)
	Others		
	Undrawn commitments	4.39	6.71
	Other assets	(0.60)	(74.90)
	Total	**2,794.88**	**2,382.26**

39 IMPAIRMENT OF FINANCIAL INSTRUMENTS (Contd.)

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

Year ended March 31, 2020

(Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
39 IMPAIRMENT OF FINANCIAL INSTRUMENTS					
Loans and advances to customers	1,088.82	(20.86)	1,680.91	-	**2,748.87**
Debt instruments measured at amortised cost	23.78	18.44	-	-	**42.22**
Undrawn commitments	4.39	-	-	-	**4.39**
Others	-	-	-	(0.60)	**(0.60)**
Total impairment loss	**1,116.99**	**(2.42)**	**1,680.91**	**(0.60)**	**2,794.88**

Year ended March 31, 2019

(Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
Loans and advances to customers	478.90	381.55	1,590.06	-	**2,450.51**
Debt instruments measured at amortised cost	-	-	-	(0.06)	**(0.06)**
Undrawn commitments	6.71	-	-	-	**6.71**
Others	-	-	-	(74.90)	**(74.90)**
Total impairment loss	**485.61**	**381.55**	**1,590.06**	**(74.96)**	**2,382.26**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
40 EMPLOYEE BENEFITS EXPENSES		
Salaries, other allowance and bonus	926.57	814.24
Contribution to provident and other funds	53.72	46.37
Staff welfare expenses	24.99	17.88
Gratuity expenses	5.54	4.57
Total	**1,010.82**	**883.06**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
41 DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Depreciation of tangible assets	48.62	41.94
Amortisation of intangible assets	1.26	1.03
Lease depreciation	91.17	-
Total	**141.05**	**42.97**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
42 OTHER EXPENSES		
Rent	9.88	105.50
Rates and taxes	2.56	11.55
Energy costs	21.08	18.29
Repairs and maintenance	56.76	45.79
Communication costs	49.17	49.05
Printing and stationery	19.33	13.62
Advertisement and publicity	14.27	15.70
Director's fees, allowances, and expenses	0.66	0.65
Auditor fees and expenses		
As Auditor:		
- Audit fees	0.88	0.84
- Tax audit fees	0.09	0.09
- Out of pocket	0.04	0.06
In any other manner:		
- Certification	0.08	0.04
Legal and professional charges	58.18	45.82
Other expenditure:		
Travelling and conveyance	123.22	127.54
Business promotion	47.71	43.72
Outsourcing expenses	75.99	42.17
Royalty	180.75	169.45
Insurance	1.38	2.36
Bank charges	43.18	52.54
Loss on sale of investments	0.12	-
Loss on sale of fixed assets (net)	-	0.51
Service charges	45.67	43.49
CSR expenses [Refer note 60]	53.16	40.06
Miscellaneous expenses	59.16	65.23
Total	**863.32**	**894.07**

43 INCOME TAX

The components of income tax expense for the year ended March 31, 2020 and March 31, 2019 and are:

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	921.20	1,346.37
Adjustment in respect of current income tax of prior years	0.84	(109.82)
Deferred tax relating to origination and reversal of temporary differences	14.79	(22.27)
Total tax charge	**936.83**	**1,214.28**
Current tax	922.04	1,236.55
Deferred tax	14.79	(22.27)

43 INCOME TAX (Contd.)

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. During the year, the Company has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company had recognised and remeasured Provision for Income Tax and Deferred Tax based on the rate prescribed in the said section. Accordingly, total benefit derived by the Company on adoption of new tax rate is Rs. 357.44 crores in current tax and reversal of Rs. 21.18 crores in deferred tax asset for the year ended March 31, 2020.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2020 and March 31, 2019 is, as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax	3,438.67	3,778.27
At India's statutory income tax rate of 25.168% (2019: 34.944%)	865.44	1,320.28
Adjustment in respect of current income tax of prior years	0.84	(109.82)
Income subject to tax at special rate		
Long term capital gain on sale of property	(0.07)	-
Income not subject to tax		
Others	-	(11.51)
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	13.38	0.55
Deduction under chapter VIA of the Income Tax Act, 1961 (section 80G)	-	6.37
Reversal of deferred tax no longer required	26.25	-
Reversal of deferred tax asset on account of adoption of new Income Tax rate	21.18	-
Others	9.81	8.41
Income tax expense reported in the statement of profit and loss	**936.83**	**1,214.28**

The effective income tax rate for March 31, 2020 is 27.24% (March 31, 2019: 32.14%).

Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	19.45	-	(2.65)	-
Provision for post retirement benefits	9.42	-	(0.56)	(1.59)
Expenses allowable for tax purposes when paid	25.45	-	-	-
Reversal of deferred tax no longer required	-	-	26.25	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	14.21	(13.10)	-
Impairment allowance for undrawn commitments	10.05	-	(7.09)	-
Fair valuation of derivative financial instrument	-	1.48	-	-
Right-of-use assets	8.80	-	(4.78)	-
Reversal of deferred tax asset on account of adoption of new Income Tax rate	-	-	21.18	-
Other temporary differences	5.02	-	(4.45)	-
Total	**78.19**	**15.69**	**14.79**	**(1.59)**

43 INCOME TAX (Contd.)

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement	OCI
	As at March 31, 2019	As at March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	23.52	-	(3.05)	-
Provision for post retirement benefits	10.05	-	(0.75)	(1.24)
Expenses allowable for tax purposes when paid	35.34	-	1.25	-
EIR impact on debt instrument in the nature of advances measured at amortised cost	36.44	-	24.68	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	37.91	(37.49)	-
Impairment allowance for undrawn commitments	4.11	-	(2.35)	-
Fair valuation of derivative financial instrument	-	2.06	(1.08)	-
Other temporary differences	6.23	0.02	(3.48)	-
Total	**115.69**	**39.99**	**(22.27)**	**(1.24)**

Amounts recognised in respect of current tax / deferred tax directly in equity:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-

Tax losses

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Unused tax losses for which no deferred tax asset has been recognised	-	-

44 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit after tax as per Statement of Profit and Loss (Rs. in crores) **(A)**	2,501.84	2,563.99
Weighted average number of equity shares for calculating basic EPS (in crores) **(B)**	22.69	22.69
Weighted average number of equity shares for calculating diluted EPS (in crores) **(C)**	22.69	22.69
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (B)**	110.27	113.01
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (C)**	110.27	113.01

45 INVESTMENT IN ASSOCIATES AND STRUCTURED ENTITIES

Associate of the Company is:

Name of the associate	Country of incorporation	Principal place of business	Principal activities	% equity interest March 31, 2020	% equity interest March 31, 2019
Shriram Automall India Limited (SAMIL)	India	New Delhi	Market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.	44.56%	44.56%

The Company has recognised its investment in associate under equity method and not adjusted to fair value at the end of each reporting period.

The Company's share in the associate is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) share in profit or loss from continuing operations.	10.43	11.69
(b) share in post-tax profit or loss from discontinued operations.	-	-
(c) share in other comprehensive income.	0.25	(0.10)
(d) share in total comprehensive income.	10.68	11.59

46 RETIREMENT BENEFIT PLAN

a) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 41.06 crores (March 31, 2019: Rs. 31.96 crores) for Provident fund contributions and Rs. 12.54 crores (March 31, 2019: Rs. 14.30 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The trust is in process of investing entire funds in government securities through third party fund managers and as on March 31, 2020, 82 % funds are invested in government securities and balance 18% funds are invested in other equity and debt instruments. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

46 RETIREMENT BENEFIT PLAN (Contd.)

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows :

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current service cost	5.45	4.72
Interest expense	3.78	3.22
Interest Income	(3.68)	(3.37)
Past service cost	-	-
Components of defined benefit costs recognised in profit or loss (A)	**5.55**	**4.57**
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(1.18)	0.74
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	4.80	0.56
Experience adjustments	2.71	2.26
Components of defined benefit costs recognised in other comprehensive income (B)	**6.33**	**3.56**
Total (A+B)	**11.88**	**8.13**

Movement in the present value of the defined benefit obligation are as follows :

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	49.43	41.30
Expenses recognised in statement of profit and loss :		
Current service cost	5.45	4.72
Interest expense/(income)	3.78	3.22
Recognised in other comprehensive income remeasurement gains/(losses)	7.51	2.83
Past service cost	-	-
Liability transferred in/acquisitions	-	0.09
Benefits paid from the fund	(2.92)	(2.73)
Present value of defined obligation at the end of the year	**63.25**	**49.43**

Change in the Fair value of plan assets :

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at the beginning of the year	48.15	43.23
Interest income	3.68	3.37
Contributions by the employer	9.79	5.02
Benefits paid from the fund	(2.92)	(2.73)
Return on plan assets excluding interest income	1.18	(0.74)
Fair value of plan assets at the end of the year	**59.88**	**48.15**

46 RETIREMENT BENEFIT PLAN (Contd.)

Calculation of benefit liability/(asset) :

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	63.25	49.43
Fair value of plan assets	59.88	48.15
Benefit liability	**3.37**	**1.28**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Expected return on plan assets	6.56%	7.64%
Rate of discounting	6.56%	7.64%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 20.00% p.a. and for service 5 years and above 7.50% p.a.	For service 4 years and below 20.00% p.a. and for service 5 years and above 7.50% p.a.
Mortality rate during employment	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

Investments quoted in active markets:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Investment funds	59.88	48.15
Total	**59.88**	**48.15**

(Rs. in crores)

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2020	Impact on defined benefit obligation March 31, 2019
Discount rate	1% increase	(4.47)	(3.32)
	1% decrease	5.14	3.81
Future salary increases	1% increase	5.10	3.81
	1% decrease	(4.51)	(3.37)
Attrition rate	1% increase	0.49	0.72
	1% decrease	(0.57)	(0.82)

46 RETIREMENT BENEFIT PLAN (Contd.)

(Rs. in crores)

Expected payment for future years	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting period)	6.35	4.99
Between 2 and 5 years	21.74	18.42
Between 5 and 10 years	25.62	21.52
Beyond 10 years	64.26	56.02
Total expected payments	**117.97**	**100.95**

The Company expects to contribute Rs. 10.09 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2020 is 9 years (March 31, 2019: 9 years)

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

c) Compensated Absences

The principal assumptions used in determining obligations for the Company are shown below:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Rate of discounting	6.56%	7.64%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	20.00%	20.00%
Service 5 years and above	7.50%	7.50%
Mortality	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Expenses recognised in statement of profit and loss	17.94	14.52

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2020.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in crores)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,088.99	-	**3,088.99**	1,029.14	-	**1,029.14**
Bank balance other than above	4,204.15	21.78	**4,225.93**	2,233.05	719.28	**2,952.33**
Derivative financial instruments	758.73	-	**758.73**	21.72	-	**21.72**
Receivables						
(I) Trade receivables	10.50	-	**10.50**	8.48	-	**8.48**
(II) Other receivables	5.64	-	**5.64**	19.94	-	**19.94**
Loans	28,287.31	73,944.32	**102,231.63**	36,655.28	60,096.21	**96,751.49**
Investments	361.47	2,437.01	**2,798.48**	2,011.10	1,987.97	**3,999.07**
Other financial assets	-	45.15	**45.15**	-	36.88	**36.88**
Non-financial Assets						
Current tax asset	-	249.10	**249.10**	-	106.58	**106.58**
Deferred tax assets (net)	-	62.50	**62.50**	-	75.70	**75.70**
Investment property	-	2.03	**2.03**	-	2.06	**2.06**
Property, plant and equipment	-	149.88	**149.88**	-	143.46	**143.46**
Right-of-use assets	-	327.84	**327.84**	-	-	**-**
Other intangible assets	-	2.67	**2.67**	-	1.97	**1.97**
Other non-financial assets	44.10	125.47	**169.57**	62.00	81.66	**143.66**
Total assets	**36,760.89**	**77,367.75**	**114,128.64**	**42,040.71**	**63,251.77**	**105,292.48**
Liabilities						
Financial Liabilities						
Derivative financial liabilities	-	-	**-**	83.42	-	**83.42**
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.40	-	**0.40**	-	-	**-**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	143.44	-	**143.44**	133.46	-	**133.46**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**	-	-	**-**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.13	-	**1.13**	2.72	-	**2.72**
Debt securities	6,484.83	27,782.13	**34,266.96**	13,044.83	21,136.93	**34,181.76**
Borrowings (other than debt securities)	16,550.38	25,924.22	**42,474.60**	17,820.26	19,369.04	**37,189.30**
Deposits	2,857.28	9,102.84	**11,960.12**	2,479.79	7,861.67	**10,341.46**
Subordinated liabilities	1,114.07	4,556.00	**5,670.07**	670.20	5,531.68	**6,201.88**
Other financial liabilities	787.82	124.50	**912.32**	1,001.43	15.05	**1,016.48**
Lease liabilities	80.97	281.84	**362.81**	-	-	**-**
Non-financial Liabilities						
Current tax liabilities (net)	102.02	-	**102.02**	102.97	-	**102.97**
Provisions	112.27	34.06	**146.33**	107.57	25.69	**133.26**
Other non-financial liabilities	83.28	-	**83.28**	-	69.49	**69.49**
Total Liabilities	**28,317.89**	**67,805.59**	**96,123.48**	**35,446.65**	**54,009.55**	**89,456.20**
Net	**8,443.00**	**9,562.16**	**18,005.16**	**6,594.06**	**9,242.22**	**15,836.28**

48 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Rs. in crores)

Particulars	As at March 31, 2019	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2020
Debt securities	34,181.76	(831.77)	-	-	916.97	34,266.96
Borrowings (other than debt securities)	37,189.30	5,139.66	-	-	145.64	42,474.60
Deposits	10,341.46	1,619.31	-	-	(0.65)	11,960.12
Subordinated liabilities	6,201.88	(573.50)	-	-	41.69	5,670.07
Lease liabilities	-	110.46	-	-	252.35	362.81
Total liabilities from financing activities	**87,914.40**	**5,464.16**	**-**	**-**	**1,356.00**	**94,734.56**

(Rs. in crores)

Particulars	As at March 31, 2018	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2019
Debt securities	32,432.62	1,984.43	-	-	(235.29)	34,181.76
Borrowings (other than debt securities)	36,108.54	402.56	-	-	678.20	37,189.30
Deposits	8,597.75	1,733.21	-	-	10.50	10,341.46
Subordinated liabilities	4,991.94	1,431.63	-	-	(221.69)	6,201.88
Total liabilities from financing activities	**82,130.85**	**5,551.83**	**-**	**-**	**231.72**	**87,914.40**

49 CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS

(A) Contingent Liabilities

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
a. In respect of Income tax demands where the Company has filed appeal before various authorities	133.64	78.70
b. VAT demand where the Company has filed appeal before various appellates	117.21	124.30
c. Service tax demands where the Company has filed appeal before various authorities	325.99	198.31
d. Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	-
Total	**581.84**	**401.31**

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

Disputed income tax demands are on account of royalty, disallowance of ESOP expenses, 14A, derivatives etc.

49 CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS (Contd.)

(B) Commitments not provided for

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	4.15	5.55
b. Commitments related to loans sanctioned but undrawn	311.87	471.92

(C) Lease arrangements

As a lessee

Lease :

Future minimum lease payments under non-cancellable leases as at March 31, 2019 are as follows:

(Rs. in crores)

Particulars	As at March 31, 2019
Within one year	30.95
After one year but not more than five years	95.17
More than five years	29.99
Total	**156.11**

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to the lease contracts existing on April 01, 2019 using the modified retrospective approach, recognising right-of-use assets and adjusted lease liability. As per Ind AS 116, lease commitments are recognised as lease liability and need not be disclosed under contingent liabilities and commitments.

50 RELATED PARTY DISCLOSURES

Relationship		Name of the party
I	Promoter	: Shriram Capital Limited
II	Promoter group	: Shriram Ownership Trust Shriram Financial Ventures (Chennai) Private Limited Shriram Value Services Limited Novac Technology Solutions (P) Limited Shriram Fortune Solutions Limited Shriram General Insurance Company Limited Shriram Insight Share Brokers Limited Shriram Life Insurance Company Limited Shriram Asset Management Company Limited Shriram Financial Products Solutions (Chennai) Private Limited Insight Commodities and Futures Private Limited Shriram Credit Company Limited Shriram Overseas Investments Private Limited Shriram Wealth Advisors Limited Bharath Investments Pte. Ltd., Singapore SGI Philippines General Insurance Co. Inc. Novac Digital Service Private Limited (from May 20, 2019)
III	Associates	Shriram Automall India Limited (SAMIL) Cartradeexchange Solutions Private Limited Adroit Inspection Service Private Limited Augeo Asset Management Private Limited (w.e.f. January 08, 2020)
IV	Key Management Personnel	: Mr. Umesh Revankar, Managing Director & CEO Mr. Amitabh Chaudhry (upto October 25, 2018) Mr. S. Lakshminarayanan Mrs. Kishori Udeshi Mr. S. Sridhar Mr. Sumatiprasad M Bafna (upto March 31, 2019) Mr. Pradeep Kumar Panja (from October 25, 2018) Mr. D. V. Ravi Mr. Puneet Bhatia Mr. Ignatius Michael Viljoen (from May 14, 2019) Mr. Gerrit Lodewyk Van Heerde (upto May 08, 2019)
V	Relatives of Key Management Personnel	: Mrs. Suchita U. Revankar (spouse of Managing Director & CEO) Mr. Shreyas U. Revankar (son of Managing Director & CEO) Mrs. Geeta G. Revankar (mother of Managing Director & CEO) Mr. Anil G. Revankar (brother of Managing Director & CEO) Mr. Shirish U. Revankar (son of Managing Director & CEO)
VI	Employees' benefit plan	Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme

50 RELATED PARTY DISCLOSURES (Contd.)

Summary of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Payments/Expenses														
Payment to key management personnel	-	-	-	-	-	-	-	-	1.76	1.26	-	-	**1.76**	**1.26**
Royalty	-	-	169.69	155.46	-	-	-	-	-	-	-	-	**169.69**	**155.46**
Service charges	41.90	39.90	-	-	-	-	-	-	-	-	-	-	**41.90**	**39.90**
I.T & BPO charges	-	-	68.88	38.00	-	-	-	-	-	-	-	-	**68.88**	**38.00**
Rent	0.78	-	0.02	0.02	7.04	4.44	-	-	-	-	-	-	**7.84**	**4.46**
Business mobilisation expenses	-	-	-	-	0.04	1.47	-	-	-	-	-	-	**0.04**	**1.47**
Other administrative expenses	0.04	-	-	-	11.11	0.82	-	-	-	-	-	-	**11.15**	**0.82**
Insurance premium	-	-	8.91	7.60	-	-	-	-	-	-	-	-	**8.91**	**7.60**
Commission	-	-	34.97	41.74	-	-	-	-	-	-	-	-	**34.97**	**41.74**
Sales promotion	-	-	1.92	1.61	-	-	-	-	-	-	-	-	**1.92**	**1.61**
Valuation charges	-	-	-	-	0.09	-	-	-	-	-	-	-	**0.09**	**-**
Interest	0.26	0.38	53.74	52.66	2.97	2.36	-	-	0.33	0.17	0.01	0.01	**57.32**	**55.59**
Equity dividend	71.17	65.09	-	-	-	-	-	-	-	-	0.00	0.00	**71.17**	**65.09**
Non-convertible debenture matured	-	-	80.11	1.60	-	-	-	-	-	-	-	0.01	**80.11**	**1.61**
Fixed deposit matured	-	-	14.00	-	-	-	-	-	-	-	0.01	0.03	**14.01**	**0.03**
Subordinated debt matured	1.72	0.54	45.00	7.07	1.39	1.15	-	-	-	-	-	0.01	**48.11**	**8.77**
Unsecured loan and advances	-	-	-	-	-	7.86	-	-	-	-	-	-	**-**	**7.86**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.79	5.01	-	-	-	-	**9.79**	**5.01**
Inter corporate deposit repaid	74.00	-	-	-	51.50	28.35	-	-	-	-	-	-	**125.50**	**28.35**
Receipts/Income														
Common sharing expenses	0.01	0.01	1.17	1.16	0.65	0.52	-	-	-	-	-	-	**1.83**	**1.70**
Rent & electricity	0.15	0.18	-	-	4.64	4.14	-	-	-	-	-	-	**4.79**	**4.32**
Other administrative expenses	-	-	-	-	0.14	2.55	-	-	-	-	-	-	**0.14**	**2.55**
Commission	-	-	79.11	61.08	-	-	-	-	-	-	-	-	**79.11**	**61.08**
Sale of Trade mark - Shriram Automall India Limited	-	-	-	-	-	0.06	-	-	-	-	-	-	**-**	**0.06**
Subordinated debt	-	-	-	25.00	-	-	-	-	-	-	-	-	**-**	**25.00**
Non-convertible debenture	-	-	2.86	11.74	-	-	-	-	0.10	2.00	-	-	**2.96**	**13.74**
Fixed deposit	-	-	1.50	14.00	-	-	-	-	-	0.50	0.05	0.03	**1.55**	**14.53**
Unsecured loan and advances repaid	-	-	-	-	14.44	7.41	-	-	-	-	-	-	**14.44**	**7.41**
Inter corporate deposit received	74.00	-	-	-	63.40	25.95	-	-	-	-	-	-	**137.40**	**25.95**
Balance outstanding at the year end														
Share capital	59.55	59.17	-	-	-	-	-	-	-	-	0.00	0.00	**59.56**	**59.17**
Investment in equity shares	-	-	-	-	13.37	13.37	-	-	-	-	-	-	**13.37**	**13.37**
Unsecured loan and advances receivable	-	-	-	-	-	0.58	-	-	-	-	-	-	**-**	**0.58**
Unsecured loan and advances payable	-	-	-	-	0.41	-	-	-	-	-	-	-	**0.41**	**-**
Rent receivable	-	0.01	-	0.02	-	-	-	-	-	-	-	-	**-**	**0.03**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Commission receivable	-	-	9.56	7.65	-	-	-	-	-	-	-	-	**9.56**	**7.65**
Commission payable	-	-	-	2.62	-	-	-	-	-	-	-	-	**-**	**2.62**
Prepaid for insurance premium	-	-	2.84	2.15	-	-	-	-	-	-	-	-	**2.84**	**2.15**
Outstanding expenses	10.43	10.78	44.13	43.01	-	-	-	-	-	-	-	-	**54.55**	**53.78**
Fixed deposit	-	-	1.55	14.99	-	-	-	-	1.45	1.34	0.13	0.08	**3.13**	**16.41**
Subordinated debt	0.41	3.14	422.19	470.39	2.76	2.79	-	-	-	-	-	-	**425.37**	**476.32**
Non-convertible debenture	-	-	15.12	95.01	22.77	-	-	-	2.61	2.30	-	-	**40.50**	**97.30**
Expenses recoverable	-	0.00	-	0.21	-	-	-	-	-	-	-	-	**-**	**0.21**
Inter corporate deposit	-	-	-	-	39.42	26.38	-	-	-	-	-	-	**39.42**	**26.38**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Payments/Expenses														
Employee benefits for key management personnel														
- Short term benefits	-	-	-	-	-	-	-	-	0.97	0.53	-	-	**0.97**	**0.53**
- Post employment benefits	-	-	-	-	-	-	-	-	0.19	0.14	-	-	**0.19**	**0.14**
Commission & sitting fee paid to directors														
- Mr. Amitabh Chaudhry	-	-	-	-	-	-	-	-	0.04	0.10	-	-	**0.04**	**0.10**
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	0.12	0.12	-	-	**0.12**	**0.12**
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.14	0.12	-	-	**0.14**	**0.12**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.10	0.12	-	-	**0.10**	**0.12**
- Mr. Sumatiprasad M. Bafna	-	-	-	-	-	-	-	-	0.09	0.11	-	-	**0.09**	**0.11**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.11	0.02	-	-	**0.11**	**0.02**
License Fees														
- Shriram Ownership Trust	-	-	82.81	155.46	-	-	-	-	-	-	-	-	**82.81**	**155.46**
- Shriram Value Services Limited	-	-	86.87	-	-	-	-	-	-	-	-	-	**86.87**	**-**
Service charges to Shriram Capital Limited	41.90	39.90	-	-	-	-	-	-	-	-	-	-	**41.90**	**39.90**
Voice Call services														
- Shriram Value Services Limited	-	-	21.26	38.00	-	-	-	-	-	-	-	-	**21.26**	**38.00**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Novac Technology Solutions (P) Ltd.	-	-	7.43	-	-	-	-	-	-	-	-	-	**7.43**	-
I.T & BPO charges to Novac Technology Solutions (P) Ltd.	-	-	40.18	-	-	-	-	-	-	-	-	-	**40.18**	-
Rent														
- Shriram Automall India Limited	-	-	-	-	7.04	4.44	-	-	-	-	-	-	**7.04**	**4.44**
- Shriram Capital Limited	0.78	-	-	-	-	-	-	-	-	-	-	-	**0.78**	-
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	**0.02**	**0.02**
Business mobilisation expenses - Shriram Automall India Limited	-	-	-	-	0.04	1.47	-	-	-	-	-	-	**0.04**	**1.47**
Other administrative expenses														
- Shriram Capital Limited	0.04	-	-	-	-	-	-	-	-	-	-	-	**0.04**	-
- Shriram Automall India Limited	-	-	-	-	11.11	0.82	-	-	-	-	-	-	**11.11**	**0.82**
Insurance premium														
- Shriram Life Insurance Company Limited	-	-	5.63	5.30	-	-	-	-	-	-	-	-	**5.63**	**5.30**
- Shriram General Insurance Company Limited	-	-	3.28	2.30	-	-	-	-	-	-	-	-	**3.28**	**2.30**
Commission														
- Shriram Fortune Solutions Limited	-	-	26.03	33.92	-	-	-	-	-	-	-	-	**26.03**	**33.92**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	3.31	2.29	-	-	-	-	-	-	-	-	**3.31**	**2.29**
- Shriram Insight Share Brokers Limited	-	-	5.63	5.53	-	-	-	-	-	-	-	-	**5.63**	**5.53**
Sales promotion														
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	0.75	0.45	-	-	-	-	-	-	-	-	**0.75**	**0.45**
- Shriram Insight Share Brokers Limited	-	-	1.17	1.16	-	-	-	-	-	-	-	-	**1.17**	**1.16**
Interest on Inter corporate Deposit														
- Shriram Automall India Limited	-	-	-	-	2.34	1.99	-	-	-	-	-	-	**2.34**	**1.99**
- Shriram Capital Limited	0.17	-	-	-	-	-	-	-	-	-	-	-	**0.17**	-
Valuation charges paid to - Adroit Inspection Service Private Limited	-	-	-	-	0.09	-	-	-	-	-	-	-	**0.09**	-
Interest on fixed deposit														
- Key management personnel	-	-	-	-	-	-	-	-	0.11	0.09	-	-	**0.11**	**0.09**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.01	0.01	**0.01**	**0.01**
- Shriram Fortune Solutions Limited	-	-	0.38	0.99	-	-	-	-	-	-	-	-	**0.38**	**0.99**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Shriram Asset management Company Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**	-
Interest on subordinated debt														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.00	**-**	**0.00**
- Shriram Automall India Limited	-	-	-	-	0.44	0.37	-	-	-	-	-	-	**0.44**	**0.37**
- Shriram Capital Limited	0.09	0.38	-	-	-	-	-	-	-	-	-	-	**0.09**	**0.38**
- Shriram Asset Management Company Limited	-	-	-	0.70	-	-	-	-	-	-	-	-	**-**	**0.70**
- Shriram Life Insurance Company Limited	-	-	9.53	7.69	-	-	-	-	-	-	-	-	**9.53**	**7.69**
- Shriram General Insurance Company Limited	-	-	37.17	34.76	-	-	-	-	-	-	-	-	**37.17**	**34.76**
Interest on non-convertible debenture														
- Key management personnel														
- Mr.Umesh Revankar	-	-	-	-	-	-	-	-	0.20	0.08	-	-	**0.20**	**0.08**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.01	0.00	-	-	**0.01**	**0.00**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.02	0.00	-	-	**0.02**	**0.00**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.00	**-**	**0.00**
- Shriram Life Insurance Company Limited	-	-	4.18	5.85	-	-	-	-	-	-	-	-	**4.18**	**5.85**
- Shriram General Insurance Company Limited	-	-	1.32	2.21	-	-	-	-	-	-	-	-	**1.32**	**2.21**
- Shriram Asset Management Company Limited	-	-	1.10	0.46	-	-	-	-	-	-	-	-	**1.10**	**0.46**
- Shriram Insight Share Brokers Limited	-	-	0.00	0.00	-	-	-	-	-	-	-	-	**0.00**	**0.00**
- Shriram Automall India Limited	-	-	-	-	0.19	-	-	-	-	-	-	-	**0.19**	**-**
Equity dividend														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Shriram Capital Limited	71.17	65.09	-	-	-	-	-	-	-	-	-	-	**71.17**	**65.09**
Non-convertible debenture matured														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.01	**-**	**0.01**
- Shriram Life Insurance Company Limited	-	-	58.90	1.60	-	-	-	-	-	-	-	-	**58.90**	**1.60**
- Shriram General Insurance Company Limited	-	-	21.10	-	-	-	-	-	-	-	-	-	**21.10**	**-**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Shriram Insight Share Brokers Limited	-	-	0.11	-	-	-	-	-	-	-	-	-	**0.11**	-
Fixed deposit matured														
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.01	0.03	**0.01**	**0.03**
- Shriram Fortune Solutions Limited	-	-	14.00	-	-	-	-	-	-	-	-	-	**14.00**	-
Subordinated debt matured														
-Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.01	**-**	**0.01**
- Shriram Capital Limited	1.72	0.54	-	-	-	-	-	-	-	-	-	-	**1.72**	**0.54**
- Shriram Automall India Limited	-	-	-	-	1.39	1.15	-	-	-	-	-	-	**1.39**	**1.15**
- Shriram Asset Management Company Limited	-	-	-	7.07	-	-	-	-	-	-	-	-	**-**	**7.07**
- Shriram General Insurance Company Limited	-	-	45.00	-	-	-	-	-	-	-	-	-	**45.00**	-
Unsecured loan and advances received - Shriram Automall India Limited	-	-	-	-	-	7.86	-	-	-	-	-	-	**-**	**7.86**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.79	5.01	-	-	-	-	**9.79**	**5.01**
Inter corporate deposit repaid														
- Shriram Automall India Limited	-	-	-	-	51.50	28.35	-	-	-	-	-	-	**51.50**	**28.35**
- Shriram Capital Limited	74.00	-	-	-	-	-	-	-	-	-	-	-	**74.00**	-
TOTAL	**189.87**	**105.91**	**477.24**	**305.76**	**74.15**	**46.46**	**9.79**	**5.01**	**2.10**	**1.43**	**0.02**	**0.06**	**753.17**	**464.63**
Receipts/Income														
Recovery of common sharing expenses														
- Shriram Automall India Limited	-	-	-	-	0.58	0.52	-	-	-	-	-	-	**0.58**	**0.52**
- Shriram Capital Limited	0.01	0.01	-	-	-	-	-	-	-	-	-	-	**0.01**	**0.01**
- Shriram Asset Management Company Limited	-	-	0.06	0.06	-	-	-	-	-	-	-	-	**0.06**	**0.06**
- Shriram Insight Share Brokers Limited	-	-	0.03	0.03	-	-	-	-	-	-	-	-	**0.03**	**0.03**
- Shriram Fortune Solutions Limited	-	-	1.08	1.07	-	-	-	-	-	-	-	-	**1.08**	**1.07**
- Adroit Inspection Service Private Limited	-	-	-	-	0.07	0.00	-	-	-	-	-	-	**0.07**	**0.00**
Rent & electricity														
- Shriram Capital Limited	0.15	0.18	-	-	-	-	-	-	-	-	-	-	**0.15**	**0.18**
- Shriram Automall India Limited	-	-	-	-	4.64	4.14	-	-	-	-	-	-	**4.64**	**4.14**
Other administrative expenses														

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Shriram Automall India Limited	-	-	-	-	0.14	2.55	-	-	-	-	-	-	**0.14**	**2.55**
Commission														
- Shriram General Insurance Company Limited	-	-	58.71	37.41	-	-	-	-	-	-	-	-	**58.71**	**37.41**
- Shriram Life Insurance Company Limited	-	-	20.39	23.68	-	-	-	-	-	-	-	-	**20.39**	**23.68**
Sale of Trade mark - Shriram Automall India Limited	-	-	-	-	-	0.06	-	-	-	-	-	-	**-**	**0.06**
Subordinated debt														
- Shriram Life Insurance Company Limited	-	-	-	25.00	-	-	-	-	-	-	-	-	**-**	**25.00**
Non-convertible debenture														
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
- Mr. Umesh Revankar	-	-	-	-	-	-	-	-	-	2.00	-	-	**-**	**2.00**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**	**-**
- Shriram Asset Management Company Limited	-	-	2.16	11.73	-	-	-	-	-	-	-	-	**2.16**	**11.73**
- Shriram Insight Share Brokers Limited	-	-	0.70	0.00	-	-	-	-	-	-	-	-	**0.70**	**0.00**
Fixed deposit														
- Key management personnel	-	-	-	-	-	-	-	-	-	0.50	-	-	**-**	**0.50**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.05	0.03	**0.05**	**0.03**
- Shriram Fortune Solutions Limited	-	-	-	14.00	-	-	-	-	-	-	-	-	**-**	**14.00**
- Shriram Asset Management Company Limited	-	-	1.50	-	-	-	-	-	-	-	-	-	**1.50**	**-**
Unsecured loan and advances repaid by														
- Shriram Automall India Limited	-	-	-	-	14.44	7.41	-	-	-	-	-	-	**14.44**	**7.41**
Inter corporate deposit														
- Shriram Automall India Limited	-	-	-	-	63.40	25.95	-	-	-	-	-	-	**63.40**	**25.95**
- Shriram Capital Limited	74.00	-	-	-	-	-	-	-	-	-	-	-	**74.00**	**-**
TOTAL	**74.16**	**0.19**	**84.63**	**112.98**	**83.28**	**40.63**	**-**	**-**	**0.10**	**2.50**	**0.05**	**0.03**	**242.22**	**156.34**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

50 RELATED PARTY DISCLOSURES (Contd.)

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance outstanding at the year end														
Share capital														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Shriram Capital Limited	59.50	59.17	-	-	-	-	-	-	-	-	-	-	**59.50**	**59.17**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**	-
Investment in equity shares														
- Shriram Automall India Limited	-	-	-	-	13.37	13.37	-	-	-	-	-	-	**13.37**	**13.37**
Unsecured loan and advances receivable														
- Shriram Automall India Limited	-	-	-	-	-	0.58	-	-	-	-	-	-	-	**0.58**
Unsecured loan and advances payable														
- Shriram Automall India Limited	-	-	-	-	0.41	-	-	-	-	-	-	-	**0.41**	-
Rent receivable														
- Shriram Capital Limited	-	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**
- Shriram Asset Management Company Limited	-	-	-	0.02	-	-	-	-	-	-	-	-	-	**0.02**
Commission receivable														
- Shriram General Insurance Company Limited	-	-	7.65	5.26	-	-	-	-	-	-	-	-	**7.65**	**5.26**
- Shriram Life Insurance Company Limited	-	-	1.91	2.40	-	-	-	-	-	-	-	-	**1.91**	**2.40**
Commission payable														
- Shriram Fortune Solutions Limited	-	-	-	2.42	-	-	-	-	-	-	-	-	-	**2.42**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**
- Shriram Insight Share Brokers Limited	-	-	-	0.16	-	-	-	-	-	-	-	-	-	**0.16**
Prepaid for insurance premium														
- Shriram General Insurance Company Limited	-	-	1.78	1.13	-	-	-	-	-	-	-	-	**1.78**	**1.13**
- Shriram Life Insurance Company Limited	-	-	1.06	1.01	-	-	-	-	-	-	-	-	**1.06**	**1.01**
Outstanding expenses														
- Shriram Capital Limited	10.43	10.78	-	-	-	-	-	-	-	-	-	-	**10.43**	**10.78**
- Shriram Ownership Trust	-	-	-	41.83	-	-	-	-	-	-	-	-	-	**41.83**
- Shriram Value Services Limited	-	-	40.07	1.18	-	-	-	-	-	-	-	-	**40.07**	**1.18**
- Novac Technology Solutions (P) Limited	-	-	1.80	-	-	-	-	-	-	-	-	-	**1.80**	-
- Shriram Fortune Solutions Limited	-	-	1.27	-	-	-	-	-	-	-	-	-	**1.27**	-

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	0.31	-	-	-	-	-	-	-	-	-	**0.31**	-
- Shriram Insight Share Brokers Limited	-	-	0.65	-	-	-	-	-	-	-	-	-	**0.65**	-
- Shriram Asset Management Company Limited	-	-	0.02	-	-	-	-	-	-	-	-	-	**0.02**	-
Fixed deposit														
- Key management personnel	-	-	-	-	-	-	-	-	1.45	1.34	-	-	**1.45**	**1.34**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.13	0.08	**0.13**	**0.08**
- Shriram Fortune Solutions Limited	-	-	-	14.99	-	-	-	-	-	-	-	-	**-**	**14.99**
- Shriram Asset Management Company Limited	-	-	1.55	-	-	-	-	-	-	-	-	-	**1.55**	**-**
Non-convertible debenture														
- Key management personnel														
- Mr.Umesh Revankar	-	-	-	-	-	-	-	-	2.27	2.08	-	-	**2.27**	**2.08**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.12	0.11	-	-	**0.12**	**0.11**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.22	0.10	-	-	**0.22**	**0.10**
- Shriram Life Insurance Company Limited	-	-	-	61.14	-	-	-	-	-	-	-	-	**-**	**61.14**
- Shriram General Insurance Company Limited	-	-	-	21.67	-	-	-	-	-	-	-	-	**-**	**21.67**
- Shriram Asset Management Company Limited	-	-	14.49	12.19	-	-	-	-	-	-	-	-	**14.49**	**12.19**
- Shriram Insight Share Brokers Limited	-	-	0.63	0.00	-	-	-	-	-	-	-	-	**0.63**	**0.00**
- Shriram Automall India Limited	-	-	-	-	22.77	-	-	-	-	-	-	-	**22.77**	**-**
Subordinated debt														
- Shriram Automall India Limited	-	-	-	-	2.76	2.79	-	-	-	-	-	-	**2.76**	**2.79**
- Shriram Capital Limited	0.41	3.14	-	-	-	-	-	-	-	-	-	-	**0.41**	**3.14**
- Shriram Life Insurance Company Limited	-	-	103.15	103.14	-	-	-	-	-	-	-	-	**103.15**	**103.14**
- Shriram General Insurance Company Limited	-	-	319.04	367.25	-	-	-	-	-	-	-	-	**319.04**	**367.25**
Expenses recoverable														
- Shriram Capital Limited	-	0.00	-	-	-	-	-	-	-	-	-	-	**-**	**0.00**
- Shriram Insight Share Brokers Limited	-	-	-	0.00	-	-	-	-	-	-	-	-	**-**	**0.00**
- Shriram Fortune Solutions Limited	-	-	-	0.20	-	-	-	-	-	-	-	-	**-**	**0.20**
Inter corporate deposit received from Shriram Automall India Limited	-	-	-	-	39.42	26.38	-	-	-	-	-	-	**39.42**	**26.38**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

51 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. Refer note 69 for the Company's Capital ratios.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board. The Company has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards.

52 FAIR VALUE MEASUREMENT

52.01 Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 6.1 (xiii).

52.02 Fair value hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2020

(Rs. in crores)

Assets measured at fair value on a recurring basis	**Level-1**	**Level-2**	**Level-3**	**Total**
Derivative financial instruments				
Forward contracts	-	378.05	-	**378.05**
Currency swaps	-	11.50	-	**11.50**
Interest rate swaps	-	45.77	-	**45.77**
Cross currency interest rate swaps	-	319.50	-	**319.50**
Interest rate caps	-	3.91	-	**3.91**
Total derivative financial instruments	**-**	**758.73**	**-**	**758.73**
Financial assets held for trading				
Mutual funds	-	3.02	-	**3.02**
Equity instruments	-	-	3.36	**3.36**
Venture capital fund	-	1.04	-	**1.04**
Total financial assets held for trading	**-**	**4.06**	**3.36**	**7.42**
Total assets measured at fair value on a recurring basis	**-**	**762.79**	**3.36**	**766.15**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	**-**	**-**	**-**	**-**
Total assets measured at fair value	**-**	**762.79**	**3.36**	**766.15**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

As at March 31, 2019

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	1.22	-	**1.22**
Currency swaps	-	18.67	-	**18.67**
Interest rate swaps	-	1.83	-	**1.83**
Total derivative financial instruments	**-**	**21.72**	**-**	**21.72**
Financial assets held for trading				
Mutual funds	-	323.82	-	**323.82**
Equity instruments	-	-	3.58	**3.58**
Certificate of deposits	-	1,231.71	-	**1,231.71**
Venture capital fund	-	0.97	-	**0.97**
Total financial assets held for trading	**-**	**1,556.50**	**3.58**	**1,560.08**
Total assets measured at fair value on a recurring basis	**-**	**1,578.22**	**3.58**	**1,581.80**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	**-**	**1,578.22**	**3.58**	**1,581.80**

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Currency swaps	-	83.05	-	**83.05**
Interest rate swaps	-	0.37	-	**0.37**
Total derivative financial instruments	**-**	**83.42**	**-**	**83.42**
Total financial liabilities measured at fair value on a recurring basis	**-**	**83.42**	**-**	**83.42**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a non-recurring basis	Level-1	Level-2	Level-3	Total
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	**83.42**	-	**83.42**

52.03: Valuation techniques

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Equity instruments

Investment in units of mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies derivative financial instruments as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Certificate of deposits (CDs)

Certificate of Deposits are short-term financial instruments issued by Banks. Financial Benchmark India Private Ltd (FBIL) has developed the FBIL- CD, a new benchmark for the money market based on traded CDs reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform of The Clearing Corporation of India Ltd (CCIL). FBIL-CD is announced for seven tenors of 14 days, 1 month, 2 months, 3 months, 6 months, 9 months and 12 months. For valuation, the Company uses FBIL-CD benchmark and based on that benchmark the Company interpolates and calculates CD prices corresponding to their residual maturities and such instruments are classified as Level 2.

52.05: Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

52.06: Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

52 FAIR VALUE MEASUREMENT (Contd.)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(Rs. in crores)

Particulars	Equity instruments	
	As at March 31, 2020	As at March 31, 2019
Opening balance	**3.58**	**0.86**
Purchase	-	-
Sales	-	-
Issuances	-	-
Settlements	-	-
Transfers into level 3	-	-
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Unrealised gains and losses related to balances held at the end of the year	**(0.22)**	**2.72**
Closing balance	**3.36**	**3.58**

52.07: Impact of changes to key assumptions on fair value of level 3 financial instruments measured at fair value

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(Rs. in crores)

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets As at March 31, 2020	Level 3 assets As at March 31, 2019		
Equity instruments	3.36	3.58	Based on the discounted cashflow	Based on the discounted cashflow

52.08: Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/ unfavourable range.

The table below shows data in relation to level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

(Rs. in crores)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
Equity instruments based on the discounted cashflow	3.51	3.18	3.74	3.38

52 FAIR VALUE MEASUREMENT (Contd.)

52.09: Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non-financial liabilities.

(Rs. in crores)

As at March 31, 2020	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	1,864.78	1,864.78	-	-	**1,864.78**
Bank balance other than cash and cash equivalents	5,450.14	-	5,395.64	-	**5,395.64**
Trade receivables	10.50	-	-	10.50	**10.50**
Other receivables	5.64	-	-	5.64	**5.64**
Loans	108,501.71	-	-	103,070.32	**103,070.32**
Investments at amortised cost	2,819.92	1,912.92	-	979.04	**2,891.96**
Other investments	13.37	-	-	13.37	**13.37**
Other financial assets	45.15	-	-	40.20	**40.20**
Total financial assets	**118,711.21**	**3,777.70**	**5,395.64**	**104,119.07**	**113,292.41**
Financial liabilities:					
Trade payables	143.84	-	-	143.84	**143.84**
Other payables	1.13	-	-	1.13	**1.13**
Debt securities	34,266.96	-	36,510.59	-	**36,510.59**
Borrowings (other than debt securities)	42,474.60	-	42,704.86	-	**42,704.86**
Deposits	11,960.12	-	-	12,161.38	**12,161.38**
Subordinated liabilities	5,670.07	-	5,367.03	722.40	**6,089.44**
Other financial liabilities	912.32	-	-	912.32	**912.32**
Lease liabilities	362.81	-	-	362.81	**362.81**
Total financial liabilities	**95,791.85**	**-**	**84,582.49**	**14,303.88**	**98,886.37**
Off balance sheet items					
Other commitments	311.87	-	-	311.87	**311.87**
Total off-balance sheet items	**311.87**	**-**	**-**	**311.87**	**311.87**

(Rs. in crores)

As at March 31, 2019	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	914.01	914.01	-	-	**914.01**
Bank balance other than cash and cash equivalents	3,067.46	-	2,949.28	-	**2,949.28**
Trade receivables	8.48	-	-	8.48	**8.48**
Other receivables	19.94	-	-	19.94	**19.94**
Loans	102,307.49	-	-	101,248.55	**101,248.55**
Investments at amortised cost	2,425.63	1,539.86	-	867.35	**2,407.21**
Other investments	13.37	-	-	13.37	**13.37**
Other financial assets	36.88	-	-	32.06	**32.06**
Total financial assets	**108,793.26**	**2,453.87**	**2,949.28**	**102,189.75**	**107,592.90**
Financial liabilities:					
Trade payables	133.46	-	-	133.46	**133.46**
Other payables	2.72	-	-	2.72	**2.72**
Debt securities	34,181.76	-	29,030.64	-	**29,030.64**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2019	Carrying amount	Fair value Level-1	Level-2	Level-3	Total
Borrowings (other than debt securities)	37,189.30	-	33,526.51	-	**33,526.51**
Deposits	10,341.46	-	-	9,968.68	**9,968.68**
Subordinated liabilities	6,201.88	-	5,492.76	1,249.58	**6,742.34**
Other financial liabilities	1,016.48	-	-	1,016.48	**1,016.48**
Total financial liabilities	**89,067.06**	**-**	**68,049.91**	**12,370.92**	**80,420.83**
Off balance sheet items					
Other commitments	471.92	-	-	471.92	**471.92**
Total off-balance sheet items	**471.92**	**-**	**-**	**471.92**	**471.92**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables, bank overdrafts and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

52.10: Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual yields..

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Instruments with no comparable instruments or valuation inputs are classified as Level 3.

Investment in associate at cost

Investment in associate: As per Ind AS 28 Interest in associate are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. Loan and other similar arrangements with subsidiaries which are probable to be settled for a fixed number of equity share of the borrower for a fixed price are classified as equity investment. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Investment in government securities at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt and borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

52 FAIR VALUE MEASUREMENT (Contd.)

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

53 RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

53.01: Introduction and risk profile

53.01.01: Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk owners within each department will report to the Risk Committee.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

53.01.02: Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

53.01.03: Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department.

The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

53.01.04: Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to

53 RISK MANAGEMENT (Contd.)

focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

53.02: Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due(dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

53.02.01: Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

53.02.02: Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 53.02.02.01).

- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 53.02.02.02 to 53.02.02.04)
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 53.02.02.05)
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 53.02.02.06)
- The details of the ECL calculations for stage 1, stage 2 and stage 3 assets (Note 6.1.xi)

53.02.02.01: Definition of default

The Company considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.

53 RISK MANAGEMENT (Contd.)

- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.

53.02.02.02: PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

53.02.02.03: Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For stage 2 and stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

53.02.02.04: Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

53.02.02.05: Significant increase in credit risk(SICR)

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers' ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 53.02.02.01 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 53.02.02.06), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

53.02.02.06: Forward looking information

The Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note 62 for impact of COVID-19 on estimate of PD, LGD and SICR.

53.02.02.07: Grouping financial assets measured on a collective basis

As explained in Note 6.1.(xi) dependent on the factors below, the Company calculates ECLs only on a collective basis.

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. New vehicle finance
2. Pre owned vehicle finance
3. Business Loans

53 RISK MANAGEMENT (Contd.)

53.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2020 was Rs. 51.01 crores (March 31, 2019: Rs. 49.70 crores).

Credit risk exposure analysis

(Rs. in crores)

Particulars	As at March 31, 2020			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Normal	86,628.95	10,501.60	6,351.12	**103,481.67**
Restructured **	-	-	1,003.23	**1,003.23**
Equipment finance	-	-	7.52	**7.52**
Repossessed	-	-	908.45	**908.45**
Exposure > 1 crore	436.02	130.47	519.74	**1,086.23**
Other risks-forced/fraud	-	1,627.59	387.02	**2,014.61**
Grand Total	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**

** includes repossessed assets worth Rs. 44.96 crores

53.03: Liquidity risk and funding management

In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings. Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios.

53 RISK MANAGEMENT (Contd.)

53.03.01: Analysis of financial assets and liabilities by remaining maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2020:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	3,088.99	-	-	-	-	-	**3,088.99**
Bank balance other than above	2,480.60	934.41	789.14	21.78	-	-	**4,225.93**
Derivative assets	758.73	-	-	-	-	-	**758.73**
Financial assets at fair value through profit and loss	-	-	-	-	-	7.42	**7.42**
Loans *	6,915.77	14,216.43	23,589.62	64,954.52	25,558.69	1,634.19	**136,869.22**
Financial investments at amortised cost	80.29	101.63	179.55	519.43	364.27	1,574.75	**2,819.92**
Trade receivables	10.50	-	-	-	-	-	**10.50**
Other receivables	5.64	-	-	-	-	-	**5.64**
Other financial assets	-	-	-	-	-	45.15	**45.15**
Total discounted financial assets	**13,340.52**	**15,252.47**	**24,558.31**	**65,495.73**	**25,922.96**	**3,261.51**	**147,831.50**
Financial liabilities							
Deposits *	768.95	954.94	1,704.67	8,155.32	2,701.97	-	**14,285.85**
Debt securities *	1,506.34	1,740.07	3,943.97	22,256.44	9,096.87	1,532.02	**40,075.71**
Borrowings (other than debt securities) *	3,191.71	5,818.22	10,169.69	20,844.94	7,639.45	581.01	**48,245.02**
Subordinated liabilities *	929.67	326.89	325.03	1,283.78	3,324.54	2,122.82	**8,312.73**
Trade payables	143.84	-	-	-	-	-	**143.84**
Other payables	1.13	-	-	-	-	-	**1.13**
Other financial liabilities	581.20	147.66	58.96	81.48	41.92	1.10	**912.32**
Lease liabilities	24.31	20.24	36.42	135.90	83.79	62.15	**362.81**
Total discounted financial liabilities	**7,147.15**	**9,008.02**	**16,238.74**	**52,757.86**	**22,888.54**	**4,299.10**	**112,339.41**
Net discounted financial assets/ (liabilities)	**6,193.37**	**6,244.45**	**8,319.57**	**12,737.87**	**3,034.42**	**(1,037.59)**	**35,492.09**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2019:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	1,029.14	-	-	-	-	-	**1,029.14**
Bank balance other than above	903.38	1,131.13	198.54	719.28	-	-	**2,952.33**
Derivative assets	21.72	-	-	-	-	-	**21.72**
Financial assets at fair value through profit and loss	1,552.03	-	-	-	-	8.05	**1,560.08**
Loans *	15,224.47	12,609.29	21,693.97	55,374.68	17,941.91	1,087.14	**123,931.46**
Financial investments at amortised cost	112.53	149.43	197.10	460.81	330.04	1,175.72	**2,425.63**
Trade receivables	8.48	-	-	-	-	-	**8.48**
Other receivables	19.94	-	-	-	-	-	**19.94**
Other financial assets	-	-	-	-	-	36.88	**36.88**
Total discounted financial assets	**18,871.69**	**13,889.85**	**22,089.61**	**56,554.77**	**18,271.95**	**2,307.79**	**131,985.66**
Financial liabilities							
Deposits *	891.68	778.19	1,498.30	7,209.38	2,570.91	-	**12,948.46**
Debt securities *	4,968.51	5,914.48	4,916.06	18,123.86	5,013.82	3,351.01	**42,287.74**
Borrowings (other than debt securities) *	5,887.43	5,128.06	9,187.54	13,040.62	6,774.54	1,661.06	**41,679.25**
Subordinated liabilities *	251.74	409.23	879.05	2,570.03	1,204.73	4,332.99	**9,647.77**
Trade payables	133.46	-	-	-	-	-	**133.46**
Other payables	2.72	-	-	-	-	-	**2.72**
Other financial liabilities	828.34	11.98	83.77	70.01	4.43	17.95	**1,016.48**
Derivative liabilities	83.42	-	-	-	-	-	**83.42**
Total discounted financial liabilities	**13,047.30**	**12,241.94**	**16,564.72**	**41,013.90**	**15,568.43**	**9,363.01**	**107,799.30**
Net discounted financial assets/ (liabilities)	**5,824.39**	**1,647.91**	**5,524.89**	**15,540.87**	**2,703.52**	**(7,055.22)**	**24,186.36**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

The table below shows the expiry by maturity of the Company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2020							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	133.64	**133.64**
VAT demand where the Company has filed appeal before various appellates	-	-	-	-	-	117.21	**117.21**
Service tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	325.99	**325.99**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	4.15	-	-	-	-	-	**4.15**
Commitments related to loans sanctioned but undrawn	311.87	-	-	-	-	-	**311.87**
Total commitments	**316.02**	-	-	-	-	**581.84**	**897.86**
As at March 31, 2019							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	78.70	**78.70**
VAT demand where the Company has filed appeal before various appellates	-	-	-	-	-	124.30	**124.30**
Service tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	198.31	**198.31**
Estimated amount of contracts remaining to be executed on capital account, net of advances	5.55	-	-	-	-	-	**5.55**
Commitments related to loans sanctioned but undrawn	471.92	-	-	-	-	-	**471.92**
Total commitments	**477.47**	-	-	-	-	**401.31**	**878.78**

53 RISK MANAGEMENT (Contd.)

53.04: Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks such as Bank MCLR or London Inter-bank Offered Rate (LIBOR) and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The Company hedges interest rate risks of foreign currency borrowings through derivative transactions. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2020 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Debt instrument	175.00	9.01	(8.48)
Term loans	9,941.92	875.54	(640.63)
Total floating rate borrowings	**10,116.92**	**884.55**	**(649.11)**

As at March 31, 2019 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	2,360.00	232.28	(288.97)
Term loans	10,855.48	672.97	(839.79)
Total floating rate borrowings	**13,215.48**	**905.25**	**(1,128.76)**

54 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount remaining unpaid to supplier as at the end of the year	0.40	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

55 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER LEGAL AND PROFESSIONAL FEES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of senior secured notes of Rs. 0.83 crores (March 31, 2019: Rs. 0.26 crores) [including out-of-pocket expenses of Rs. Nil (March 31, 2019: Rs. Nil)] shown under Legal and professional fees in note 42 Other expenses.

56 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER FINANCE COST

In addition to the auditors remuneration shown under note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with public issue of non-convertible debentures of Rs. 0.36 crores (March 31, 2019: Rs. 0.48 crores) amortised portion of which is included in note 37 Finance Costs under interest on debentures and unamortised portion of which is included in note 22 Debt securities under Redeemable non-convertible debentures - Secured -Public issue.

57 SEGMENT REPORTING

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

58 TRANSFER OF FINANCIAL ASSETS

Note 58.01: Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Securitisation		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	21,612.72	17,770.52
Carrying amount of associated liabilities (Borrowings (other than debt securities)-measured at amortised cost)	21,452.04	17,738.52
Fair value of assets	20,054.22	16,355.39
Fair value of associated liabilities	20,358.45	15,918.57
Net position at fair value	**(304.23)**	**436.82**

Note 58.02: Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	1,427.81	2,428.39
Carrying amount of exposures retained by the Company at amortised cost	142.78	253.60

Note 58.03: Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

59 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Resource mobilisation	148.09	67.78
Legal and professional charges	-	0.60
Membership fees	0.00	0.00
Total	**148.09**	**68.39**

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

60 DETAILS OF CSR EXPENSES

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Gross amount required to be spent by the Company during the year	52.82	39.51
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	53.16	40.06
Yet to be paid in cash	-	-
Total	**53.16**	**40.06**

61 MOVEMENT IN PROVISIONS

(Rs. in crores)

Particulars	As at March 31, 2019	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2020
Provision for taxes- contested	92.75	-	-	92.75

(Rs. in crores)

Particulars	As at April 01, 2018	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2019
Provision for taxes- contested	92.75	-	-	92.75

The above provisions relate to disputed tax demands in relation to VAT and Service tax. Due to the very nature of such provisions and the litigations involved, it is not possible to estimate the timing/ uncertainties relating to their outflows.

62 NOTE ON COVID

The spread of SARS-CoV-2 virus (referred as 'COVID-19') across the globe and in India has contributed to a significant decline and volatility in global and Indian financial markets and a shrink in the economic activities. The Government of India declared 21-day nation-wide lock-down to contain the pandemic COVID-19 with effect from March 25, 2020. The Government then extended the lockdown till May 31, 2020. However, the government relaxed the lock-down in certain essential areas including plying commercial vehicles for transportation of essential and non-essential goods across the country. In terms of COVID-19 regulatory package announced by Reserve Bank of India (RBI) on March 27, 2020 and in accordance with the Scheme approved by the Board of directors of the Company, the Company has extended the moratorium to the eligible borrowers for instalments falling due between March 1, 2020 and May 31, 2020. Further, pursuant to RBI notification dated May 23, 2020, the moratorium is given to eligible borrowers for a further period of three months upto August 31, 2020. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The staging of accounts as on March 31, 2020 with respect to assets which were overdue though standard and to whom moratorium has been granted is based on the days past due as on February 29, 2020 keeping it at standstill. Further, estimates and associated assumptions applied in preparing the financial statements, especially in respect of credit loss on loans, are based on historical experience and other emerging/forward looking factors including those arising on account of the COVID-19 pandemic.

62 NOTE ON COVID (Contd.)

The Company has used relevant indicators of moratorium, considering various measures taken by Government and other authorities along with an estimation of potential stress on probability of defaults and loss given defaults due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit loss on loans, including on account of potential macro-economic conditions. Based on such assessment, the Company has made additional expected credit loss provision of Rs 909.64 crores on account of COVID-19 impact in the financial statement. The impairment loss provided for on account of COVID-19 pandemic is based on the assessment of current situation and the actual impairment loss could be different due to uncertainty over duration of pandemic and restoration of normalcy.

63 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date except the following:

The ratings of the Company which have been downgraded by the various rating agencies after March 31, 2020 are given below:

Credit Rating Agency	Instruments	As at March 31, 2020	Current Rating as on date
CRISIL	Bank Loan Long-term	CRISIL AA+/Stable	CRISIL AA+/Negative
CRISIL	Fixed deposit	CRISIL FAAA/Stable	CRISIL FAAA/ Negative
CRISIL	Non-convertible debenture	CRISIL AA+/Stable	CRISIL AA+/Negative
CRISIL	Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AA+r/Stable	CRISIL PP-MLD AA+r/ Negative
CRISIL	Subordinated debt	CRISIL AA+/Stable	CRISIL AA+/Negative
India Ratings & Research Private Limited (Formerly known as "FITCH")	Non-convertible debenture	IND AA+/Stable Outlook	IND AA+/RWN
India Ratings & Research Private Limited (Formerly known as "FITCH")	Subordinated debt	IND AA+/Stable Outlook	IND AA+/RWN
India Ratings & Research Private Limited (Formerly known as "FITCH")	Structured Non-Convertible Debentures	Provisional IND AAA(CE)/Stable	This rating is now withdrawn
Standard & Poor's Ratings	Offshore Rupee Denominated Bond (Masala Bond)	BB+	BB
Standard & Poor's Ratings	U.S. Dollar Senior Secured Notes	BB+	BB
Standard & Poor's Ratings	Long-Term Issuer Credit Rating	BB+/Negative	BB/Negative

RWN=Rating Watch Negative

64 FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 1,758.76 crores (March 31, 2019: Rs. 1,463.76 crores) in favour of trustees representing the public deposit holders of the Company.

65 DISCLOSURE OF RESTRUCTURED ACCOUNTS

(Rs. in crores)

Sr. No.	Type of restructuring		Others									
	Financial year		Year ended March 31, 2020					Year ended March 31, 2019				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	**Restructured accounts as on April 1**	**No. of borrowers**	**8,514**	**8,741**	**5,180**	**97**	**22,532**	**353**	**14,462**	**6,543**	**1,638**	**22,996**
		Amount outstanding	**228.00**	**535.06**	**271.81**	**4.37**	**1,039.24**	**12.99**	**646.01**	**221.71**	**61.76**	**942.47**
		Provision thereon	**39.91**	**182.45**	**83.26**	**1.24**	**306.86**	**1.30**	**100.65**	**75.43**	**22.79**	**200.17**
2	Fresh restructuring during the year	No. of borrowers	-	16,497	-	-	**16,497**	-	9,208	-	-	**9,208**
		Amount outstanding	-	756.20	-	-	**756.20**	-	573.04	-	-	**573.04**
		Provision thereon	-	254.33	-	-	**254.33**	-	122.65	-	-	**122.65**
3	Upgradation	No. of borrowers	7,006	(5,167)	(1,838)	(1)	-	8,514	(7,035)	(1,412)	(67)	-
		Amount outstanding	315.26	(225.21)	(90.05)	-	-	306.44	(262.36)	(42.45)	(1.63)	-
		Provision thereon	103.25	(75.12)	(28.13)	-	-	51.53	(37.43)	(13.55)	(0.55)	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	(8,514)	-	-	-	**(8,514)**	(353)	-	-	-	**(353)**
		Amount outstanding	(228.00)	-	-	-	**(228.00)**	(12.99)	-	-	-	**(12.99)**
		Provision thereon	(39.90)	-	-	-	**(39.90)**	(1.30)	-	-	-	**(1.30)**
5	Downgradation of restructured accounts during the year	No. of borrowers	-	(2,365)	1,805	560	-	-	(3,006)	3,201	(195)	-
		Amount outstanding	-	(250.36)	211.55	38.81	-	-	(180.81)	190.02	(9.21)	-
		Provision thereon	-	(88.14)	75.64	12.50	-	-	(25.30)	28.64	(3.34)	-
6	Write-offs of restructured accounts during the year	No. of borrowers	(843)	(2,046)	(2,639)	(80)	**(5,608)**	-	(4,888)	(3,152)	(1,279)	**(9,319)**
		Amount outstanding	(85.60)	(121.97)	(123.34)	(3.65)	**(334.56)**	(78.44)	(240.82)	(97.47)	(46.55)	**(463.28)**
		Provision thereon	(83.58)	(35.30)	(37.80)	(0.83)	**(157.51)**	(11.62)	21.88	(7.26)	(17.66)	**(14.66)**
7	**Restructured accounts as on March 31**	**No. of borrowers**	**6,163**	**15,660**	**2,508**	**576**	**24,907**	**8,514**	**8,741**	**5,180**	**97**	**22,532**
		Amount outstanding	**229.66**	**693.72**	**269.97**	**39.53**	**1,232.88**	**228.00**	**535.06**	**271.81**	**4.37**	**1,039.24**
		Provision thereon	**19.68**	**238.22**	**92.97**	**12.91**	**363.78**	**39.91**	**182.45**	**83.26**	**1.24**	**306.86**

Note:

i. The outstanding amount and number of borrowers as at March 31, 2020 and March 31, 2019 is after considering recoveries during the year.

ii. Additional facilities availed by borrowers or addition in outstanding balance in existing restructured accounts and partial repayments in existing restructured accounts are adjusted and disclosed under "Write-offs of restructured accounts", however, for the purpose of arithmetical accuracy the number of existing borrowers availing additional facility or partial repayments have been ignored.

iii. The Company has classified all the restructured accounts under stage 3 for ECL Calculations under Ind AS and Provision for Impairment Loss on all the restructured accounts have been provided in the books accordingly.

iv. Since the disclosure of restructured accounts pertains to section "Others", the first two sections namely "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per the format prescribed in the Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit Taking Company (Reserve Bank) Directions 2016 as amended are not included above.

v. For the purpose of arithmetical accuracy, movement in provisions in the existing restructured account as compared to balance of provision as disclosed in opening balance and fresh restructuring on account sale/ recovery/settlement (for any change in provision) is adjusted and disclosed under "Write-offs of restructured accounts" during the year.

66 ASSET CLASSIFICATION AS PER RBI NORMS

Disclosure in Notes to Financial Statements

For the year ended March 31, 2020 (Rs. in crores)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Performing Assets						
Standard	Stage 1	87,064.97	2,156.05	84,908.92	1,495.05	661.00
	Stage 2	12,259.66	928.08	11,331.58	997.81	(69.73)
Subtotal		**99,324.63**	**3,084.13**	**96,240.50**	**2,492.86**	**591.27**
Non-Performing Assets (NPA)						
Substandard	Stage 3	6,043.64	2,118.64	3,925.00	588.01	1,530.63
Doubtful - up to 1 year	Stage 3	631.93	212.40	419.53	189.79	22.61
1 to 3 years	Stage 3	230.05	73.17	156.88	117.30	(44.13)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**861.98**	**285.57**	**576.41**	**307.09**	**(21.52)**
Loss	Stage 3	2,271.46	781.74	1,489.72	2,135.16	(1,353.42)
Subtotal for NPA		**9,177.08**	**3,185.95**	**5,991.13**	**3,030.26**	**155.69**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,254.66	40.78	1,213.88	-	40.78
	Stage 2	52.67	18.43	34.24	-	18.43
	Stage 3	2.63	2.70	(0.07)	-	2.70
Subtotal		**1,309.96**	**61.91**	**1,248.05**	**-**	**61.91**
Total	**Stage 1**	**88,319.63**	**2,196.83**	**86,122.80**	**1,495.05**	**701.78**
	Stage 2	**12,312.33**	**946.51**	**11,365.82**	**997.81**	**(51.30)**
	Stage 3	**9,179.71**	**3,188.65**	**5,991.06**	**3,030.26**	**158.39**
	Total	**109,811.67**	**6,331.99**	**103,479.68**	**5,523.12**	**808.87**

67 ASSET CLASSIFICATION AND PROVISIONING DISCLOSURE

Disclosure as per the circular no DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by Reserve Bank of India on "COVID 19 regulatory package - Asset Classification and provisioning"

For the year ended March 31, 2020

i) Amounts in SMA/overdue categories where moratorium/deferment was extended in terms of paragraph 2 and 3 of the above circular

(Rs. in crores)

SMA category	Amount
SMA 0	23,601.37
SMA 1	13,884.42
SMA 2	4,425.63
Total	**41,911.42**

ii) Respective amount where asset classification benefit is extended : Rs. 1,334.38 crores

iii) Provisions made during quarter ended March 31, 2020 in terms of paragraph 5 of the above circular :

The provision made by the Company as per the ECL model is more than the provision required as per IRAC norms which is inclusive of additional 5% provision of Rs. 2,095.57 crores as per the above circular.

67 ASSET CLASSIFICATION AND PROVISIONING DISCLOSURE (Contd.)

iv) Provisions adjusted against the respective accounting periods for slippages and residual provisions in terms of paragraph 6 of the above circular : Not applicable

Additional disclosures required by the Reserve Bank of India (RBI)

The additional disclosures required by RBI are prepared under Indian Accounting Standards (Ind AS) issued by MCA unless otherwise stated.

68 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Instruments	Credit rating agency	As on March 31, 2020	As on March 31, 2019
Bank Loan Long-term	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
Bank Loan Short-term	CRISIL	CRISIL A1+	CRISIL A1+
Commercial Paper	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND A1+	IND A1+
Commercial Paper	CARE	CARE A1+	CARE A1+
Fixed deposit	CRISIL	CRISIL FAAA/Stable	CRISIL FAAA/Stable
Long Term Principal Protected Market Linked Debentures	CRISIL	CRISIL PP-MLD AA+r/ Stable	
Structured Non-Convertible Debentures	India Ratings & Research Private Limited (Formerly known as "FITCH")	Provisional IND AAA(CE)/ Stable	
Fixed deposit	ICRA	MAA+ with Stable outlook	MAA+ with Stable outlook
Long-Term Issuer Credit Rating	Standard & Poor's Ratings	BB+/Negative Outlook	BB+/Stable
Long-Term Issuer Default Rating	Fitch Ratings	BB/RWN	BB+/Stable Outlook
Non-convertible debenture	CARE	CARE AA+/Stable	CARE AA+/Stable
Non-convertible debenture	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
Non-convertible debenture	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND AA+/Stable Outlook	IND AA+/Stable Outlook
Offshore Rupee Denominated Bond (Masala Bond)	Standard & Poor's Ratings	BB+	BB+
U.S. Dollar Senior Secured Notes	Standard & Poor's Ratings	BB+	BB+
Offshore Rupee Denominated Bond (Masala Bond)	Fitch Ratings	BB	BB+
U.S. Dollar Senior Secured Notes	Fitch Ratings	BB	BB+
Short term debt	CRISIL	CRISIL A1+	CRISIL A1+
Short-Term Issuer Credit Rating	Standard & Poor's Ratings	B	B
Short-Term Issuer Default Rating	Fitch Ratings	B	B
Subordinated debt	CARE	CARE AA+/Stable	CARE AA+/Stable
Subordinated debt	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND AA+/Stable	IND AA+/Stable
Subordinated debt	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable

69 CAPITAL

(Rs. in crores)

Particulars	As at March 31, 2020 #	As at March 31, 2019
i) CRAR (%)	21.99	20.27
ii) CRAR - Tier I capital (%)	18.13	15.62
iii) CRAR - Tier II capital (%)	3.86	4.65
iv) Amount of subordinated debt raised as Tier-II capital*	5,591.73	6,040.74
v) Amount raised by issue of Perpetual debt instruments	-	-

calculated as per RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

"Tier I capital", "Tier II capital", "Owned fund" are calculated as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

* Note:

Discounted value of Rs. 4,046.46 crores (March 31, 2019: Rs. 4,688.17 crores) considered for Tier II capital against the book value of Rs. 5,591.73 crores (March 31, 2019: Rs. 6,040.74 crores).

70 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
(1) Value of investments		
(i) Gross value of investments		
(a) In India	2,840.71	3,999.08
(b) Outside India,	-	-
(ii) Provisions for depreciation		
(a) In India	42.23	0.01
(b) Outside India,	-	-
(iii) Net value of investments		
(a) In India	2,798.48	3,999.07
(b) Outside India,	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	0.01	0.07
(ii) Add : Provisions made during the year	42.22	-
(iii) Less : Write-off/write-back of excess provisions during the year	-	0.06
(iv) Closing balance	42.23	0.01

71 DERIVATIVES

71.01: Forward rate agreement/Interest rate swap

(Rs. in crores)

Particulars		As at March 31, 2020	As at March 31, 2019
(i)	The notional principal of swap agreements	24,921.80	5,682.09
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swap	-	-
(v)	The fair value of the swap book	758.73	5,682.09

71.02: Exchange traded interest rate (IR) derivatives : Nil

71.03: Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

The Company has entered into derivative agreement to mitigate the foreign exchange risk and interest rate risk pertaining to external commercial borrowings and foreign currency bonds. The description of risk policies and risk mitigation strategies are disclosed in note 53 of the financial statements.

Quantitative Disclosures

(Rs. in crores)

Particulars		As at March 31, 2020		As at March 31, 2019	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i)	Derivatives (Notional principal amount)				
	For hedging	16,177.17	8,744.63	5,682.09	
(ii)	Marked to market positions				
	a) Asset (+)	709.05	49.68	-	-
	b) Liability (-)	-	-	-	-
(iii)	Credit exposure	-	-	-	-
(iv)	Unhedged exposures	-	-	-	-

72 DISCLOSURES RELATING TO SECURITISATION

72.01: Outstanding amount of securitised/assigned assets as per books of the SPVs sponsored:

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

(Rs. in crores)

Sr. No.	Particulars		As at March 31, 2020	As at March 31, 2019
1	No of SPVs sponsored by the NBFC for securitisation transactions (in No.)		72	65
2	Total amount of securitised assets as per books of the SPVs sponsored		20,487.93	16,376.03
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet			
	(a)	Off-Balance Sheet exposures		
		First loss	35.08	9.85
		Others	-	-
	(b)	On-Balance Sheet exposures		
		First loss	2171.17	1,708.24
		Others	942.79	877.81
4	Amount of exposures to securitisation transactions other than MRR			
	(a)	Off-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Loss	651.41	910.43
		(ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Others	1,441.75	964.35
		(ii)Exposure to third party securitisations		
		First loss	-	-
		Others	-	-

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

(Rs. in crores)

Sr. No.	Particulars		As at March 31, 2020	As at March 31, 2019
1	No. of transactions assigned by the Company		3	27
2	Total amount outstanding		1,427.81	2,428.39
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet			
	(a)	Off-Balance Sheet exposures		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		First loss	-	-
		Others	142.78	253.60
4	Amount of exposures to assigned transaction other than MRR			
	(a)	Off-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Loss	-	-
		(ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Others	-	-
		(ii)Exposure to third party securitisations		
		First loss	-	-
		Others	-	-

72 DISCLOSURES RELATING TO SECURITISATION (Contd.)

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium structure is given below:

(Rs. in crores)

Sr. No.	Particulars		As at March 31, 2020	As at March 31, 2019
1	No. of transactions assigned by the Company		-	-
2	Total amount outstanding		-	-
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet			
	(a)	Off-Balance Sheet exposures		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		First loss	-	-
		Others	-	-
4	Amount of exposures to assigned transaction other than MRR			
	(a)	Off-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Loss	-	-
		(ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Others	-	-
		(ii)Exposure to third party securitisations		
		First loss	-	-
		Others	-	-

72.02: Details of financial assets sold to securitisation/reconstruction company for asset reconstruction

The Company has not sold any financial assets to securitisation/reconstruction company for asset reconstruction during the year ended March 31, 2020 and March 31, 2019.

72.03: Details of assignment transactions undertaken by the Company

(Rs. in crores)

	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
i)	No. of accounts	-	76,129
ii)	Aggregate value (net of provisions) of accounts sold	-	2,725.46
iii)	Aggregate consideration *	-	2,735.34
iv)	Additional consideration realized in respect of accounts transferred in earlier years	22.18	1.85
v)	Aggregate gain/loss over net book value	-	11.73

* Includes income on assignment transactions realised in respect of accounts transferred in previous year.

72.04: Details of non-performing financial assets purchased / sold by the Company

The Company has not purchased/sold non-performing assets for the year ended March 31, 2020 and March 31, 2019.

73 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2020

(Rs. in crores)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits *	358.59	223.81	223.16	822.14	1,340.18	6,945.86	2,156.98	-	**12,070.72**
Advances ** #	56.38	668.02	2,133.62	8,688.79	16,740.50	49,917.57	22,576.28	1,450.47	**102,231.63**
Investments	32.37	41.38	6.54	101.63	179.55	519.43	340.48	1,577.10	**2,798.48**
Borrowings ***	1,398.12	709.36	2,460.27	6,374.02	11,680.97	28,621.82	11,382.49	2,916.38	**65,543.43**
Foreign currency assets	-	-	-	-	-	-	-	-	**-**
Foreign currency liabilities	1,419.13	-	13.81	78.20	54.81	8,377.29	6,459.71	504.67	**16,907.62**

The Board of Directors of the Company have approved moratorium policy in their meeting held on June 10, 2020 for a further period of 3 months from June 2020 to August 2020 pursuant to the Reserve Bank of India Notification no. RBI/2019-20/244 DOR.No.BP.BC. 71/ 21.04.048/ 2019-20 dated May 23, 2020 to eligible borrowers. The same is in the process of being implemented. Consequently the effect of the further moratorium extended as mentioned above is not considered in the above ALM disclosure.

As at March 31, 2019

(Rs. in crores)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits *	508.86	197.78	199.01	606.07	1,115.09	5,844.07	2,017.60	-	**10,488.48**
Advances **	3,305.69	5,075.97	3,095.55	9,191.82	15,986.25	43,388.41	15,745.89	961.91	**96,751.49**
Investments	352.80	43.75	1,268.01	149.43	197.10	460.81	330.04	1,197.13	**3,999.07**
Borrowings ***	2,602.60	4,251.98	3,069.79	8,990.93	12,606.78	23,169.70	8,890.43	8,870.62	**72,452.83**
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	17.23	(1.49)	11.30	21.95	(9.38)	2,725.08	2,381.80	-	**5,146.49**

* includes deposits from corporates and unclaimed matured deposit.

** net of Impairment loss allowance.

*** excludes deposits which are shown separately and External commercial borrowings and external commercial bond which are shown separately under Foreign currency liabilities.

74 EXPOSURES

74.01: Exposure to real estate sector

The Company has no exposure to real estate sector.

74.02: Exposure to capital market

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	19.75	20.45
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-

74 EXPOSURES (Contd.)

(Rs. in crores)

Particulars		As at March 31, 2020	As at March 31, 2019
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	1.04	0.97
Total exposure to capital market		**20.79**	**21.42**

74.03: Details of financing of parent company products

The Company does not have any Parent Company, hence not applicable.

74.04: Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

74.05: Unsecured advances

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

75 ADDITIONAL DISCLOSURES

75.01: Provisions and contingencies

(Rs. in crores)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2020	Year ended March 31, 2019
Provisions for depreciation on investment	-	-
Provision towards NPA#	1,680.91	1,590.06
Provision made towards income tax	921.20	1,346.37
Provision for Standard Assets ##	-	-
Other Provision and contingencies (with details)		
Provision towards impairment of financial instruments other than provision for stage 3 assets	1,113.97	792.20

Provision for stage 3 assets

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets.

75.02: Draw down from reserves

The draw down from reserves was Rs. Nil.

75 ADDITIONAL DISCLOSURES (Contd.)

75.03: Concentration of Deposits, Advances, Exposures and NPAs

75.03.01: Concentration of Deposits (for deposit taking NBFCs)

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Total deposits of twenty largest depositors	723.28	735.67
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	6.07%	7.11%

75.03.02: Concentration of advances

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Total advances to twenty largest borrowers *	345.11	328.21
Percentage of advances to twenty largest borrowers to total advances of the NBFC *	0.32%	0.32%

*Excludes retained interest on direct assignment Rs. 142.78 crores (March 31, 2019: Rs. 253.60 crores)

75.03.03: Concentration of exposures

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Total exposure to twenty largest borrowers/customers *	347.76	328.97
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers *	0.32%	0.32%

* Excludes retained interest on direct assignment Rs. 142.78 crores (March 31, 2019: Rs. 253.60 crores)

75.03.04: Concentration of NPAs

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Total exposure to top four NPA accounts**	132.36	102.66

** NPA accounts refer to stage 3 assets.

75.03.05: Sector-wise NPAs # $

		As at March 31, 2020	As at March 31, 2019
Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	7.68%	8.07%
7	Others	21.82%	14.14%

The loans mentioned above include loans given to corporates.

$ NPA accounts refer to stage 3 assets.

76 MOVEMENT OF NPAS $

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(i) Net NPAs to net advances (%)	5.69%	5.68%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	8,616.27	8,934.46
(b) Additions during the year	13,506.74	6,638.30
(c) Reductions during the year	(12,945.93)	(6,956.49)
(d) Closing balance	**9,177.08**	**8,616.27**
(iii) Movement of Net NPAs		
(a) Opening balance	5,646.53	5,840.07
(b) Additions during the year	9,305.19	4,396.99
(c) Reductions during the year	(8,960.59)	(4,590.53)
(d) Closing balance	**5,991.13**	**5,646.53**
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	2,969.74	3,094.39
(b) Provisions made during the year	4,201.55	2,241.31
(c) Write-off/write-back of excess provisions	(3,985.34)	(2,365.96)
(d) Closing balance	**3,185.95**	**2,969.74**

$ NPA accounts refer to stage 3 assets.

77 OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

78 OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

79 CUSTOMER COMPLAINTS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Number of complaints pending at the beginning of the year	60	72
(b) Number of complaints received during the year	2,007	2,583
(c) Number of complaints redressed during the year	2,039	2,595
(d) Number of complaints pending at the end of the year	28	60

80 INFORMATION ON INSTANCES OF FRAUD

Instances of fraud for the year ended March 31, 2020: (Rs. in crores)

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount written-off
Fraud committed by employees	3	0.18	0.01	-
Fraud committed by borrowers and outsiders	2	0.28	0.04	0.19

* includes Rs. 0.04 crores recovered from the fraud cases reported during the year ended March 31, 2019.

Instances of fraud for the year ended March 31, 2019: (Rs. in crores)

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount written-off
Fraud committed by borrowers and outsiders	13	1.08	0.22	-

81 DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

Details of Penalties levied by various regulators for the year ended March 31, 2020: (Rs. in crores)

Sr. No	Authority	Non-compliance/ violation	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/ Stay Received	Date of payment	Status as on March 31, 2020
1	Reserve Bank of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Insurance Regulatory and Development Authority of India	Clause ll(3)(ii)(a), Clause ll(3)(ii)(m), Clause ll(3)(ii)(o) of Schedule-lll under Regulation 26 of IRDAI (Registration of Corporate Agents) Regulations, 2015 regarding Engagement of persons other than Specified Persons to procure business	0.15	0.15	Nil	Nil	October 31, 2019	Paid
3	Enforcement Directorate (ED) / Adjudicating Authority/ Tribunal or any authority under FEMA	Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	Nil	Nil	Nil	Nil	Disclosed under Note 49: Contingent liabilities, commitments and leasing arrangements as the Company has filed a writ petition with Madras High Court.
4	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Securities and Exchange Board of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Competition Commission of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil

No penalties have been levied by any regulator on the Company for the year ended March 31, 2019.

82 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

As per our report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

As required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Schedule to the Balance Sheet

(Rs. in crores)

Particulars	As at March 31, 2020	
Liabilities side :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	**Amount outstanding**	**Amount overdue**
(a) Debenture : Secured	20,016.37	15.45 #
: Unsecured	454.11	Nil
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	Nil	Nil
(c) Term Loans	36,157.60	Nil
(d) Inter-corporate loans and borrowing	39.42	Nil
(e) Commercial Paper	Nil	Nil
(f) Public Deposits* @	11,918.17	149.69 #
(g) Other Loans - Subordinated debts	5,751.76	81.69 #
- Cash Credit	2,016.39	Nil
- Deposits from corporates	152.55	0.33 #
- Senior secured notes	1,204.92	Nil
- External commercial borrowing- Secured	4,300.61	Nil
- External commercial bond -Secured	12,607.01	Nil
@ excludes deposits from corporates		
*Please see note 1 below		
# Represent amounts unclaimed		

(Rs. in crores)

(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	**Amount outstanding**	**Amount overdue**
(a) In the form of Unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits @	11,918.17	149.69 #
@ excludes deposits from corporates		
*Please see note 1 below		
# Represent amounts unclaimed		

(Rs. in crores)

Assets side :	Amount outstanding
(3) Break-up of loans and advances including bills receivables (other than those included in (4) below):	
(a) Secured	105,061.35
(b) Unsecured	3,428.63

(Rs. in crores)

(4) **Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities €**	**Amount outstanding**
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	Nil
(b) Operating lease	Nil
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	Nil
(b) Repossessed Assets	Nil
(iii) Other loans counting towards asset financing activities : €	
(a) Loans where assets have been repossessed	Nil
(b) Loans other than (a) above	Nil

€ The Company has not disclosed amount outstanding under assets financing activities under note 4(iii) and included entire loan amount outstanding under note 3 as RBI has merged Asset Financing Companies, Loan Companies and Investment companies in to a new category "NBFC - Investment and Credit Company" vide its circular no. DNBR (PD) CC. No. 097/03.10.001/2018-19 dated February 22, 2019.

(Rs. in crores)

(5) **Break-up of investments : $**	**Amount outstanding**
Current investments :	
1. Quoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debenture and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (Please specify)	Nil
2. Unquoted :	
(i) Shares: (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (Please specify)	Nil
Long term investments :	
1. Quoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	1,824.46
(v) Others (Please specify)	Nil
2. Unquoted :	
(i) Shares: (a) Equity	16.73
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	3.02
(iv) Government securities	Nil
(v) Others - Venture capital fund	1.04
- Pass through certificates (unquoted)	918.99
- Investment in subordinated debts	34.24

$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA for NBFCs.

(6) Borrower group-wise classification of assets, financed as in (3) and (4) above :

Please see note 2 below

(Rs. in crores)

	Category	Amount (Net of provisions)	
		Secured	Unsecured
1.	Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
2.	Other than related parties	105,073.08	3,428.63

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): $

Please see note 3 below

(Rs. in crores)

	Category	Market Value / Break up or fair value or NAV*	Book Value (Net of Provisions)
1.	Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	52.81	13.37
	(c) Other related parties	Nil	Nil
2.	Other than related parties	2,933.62	2,873.58

* Disclosure is made in respect of available information.

** As per Indian Accounting Standard issued by MCA (Please see note 3)

$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA.

(Rs. in crores)

(8) Other information

Sr. No.	Particulars	Amount
(i)	Gross non-performing assets ¥	
	(a) Related parties	Nil
	(b) Other than related parties	9,177.08
(ii)	Net non-performing assets ¥	
	(a) Related parties	Nil
	(b) Other than related parties	5,991.13
(iii)	Assets acquired in satisfaction of debt	Nil

¥ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes :

1. As defined in point xxvii of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.

FORM AOC-1

(Pursuant to first proviso to sub- section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part A: Subsidiaries
The Company does not have any subsidiary.

Part B: Associates and joint venture (Refer note 45)

Sr. No.	Particulars - Associate	Shriram Automall India Limited
1	**Latest Audited Balance Sheet Date**	March 31, 2020
2	**Shares of associate held by the Company on the year end**	
	No.	13,369,565
	Amount of investment in associate (Rs. in crores)	13.37
	Extent of holding %	44.56
3	**Description of how there is significant influence**	By virtue of holdings being 20% or more
4	**Reason why the associate is not consolidated**	N.A.
5	**Networth attributable to shareholding as per latest audited Balance Sheet (Rs. in crores)**	54.16
6	**Profit/Loss for the year (Rs. in crores)**	
	i Considered in consolidation	10.43
	ii Not Considered in consolidation	12.98

The Company does not have any joint venture.

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

CONSOLIDATED ACCOUNTS

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To the Members of
Shriram Transport Finance Company Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Shriram Transport Finance Company Limited (hereinafter referred to as "the Holding Company")and its associate comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matters

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

Impairment Loss Allowance of loans and advances

Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Company has significant credit risk exposure considering the large loan portfolio across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the potential impact of unprecedented COVID 19 pandemic on asset quality and provision of the Company. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modeled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

Audit Procedures included but were not limited to the following:

We have started our audit procedures with understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.

We also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company which is based on and in compliance with Ind AS 109 "Financial Instruments". Particularly we assessed the approach of the Company regarding definition of Default, Probability of Default, Loss Given Default and incorporation

of forward-looking information for the calculation of ECL.

For loans and advances which are assessed for impairment on a portfolio basis we performed particularly the following procedures:

- We tested the reliability of key data inputs and related management controls;
- We checked the stage classification as at the balance sheet date as per the definition of Default of the Company;
- We validated the ECL Model and its calculation by involving our Information Technology Expert;
- We have also calculated the ECL provision manually for selected samples; and
- We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information and based on an event in a particular geographical range.
- We have reviewed the process of the Company to grant moratorium to the borrowers as per the Regulatory Package announced by the Reserve Bank of India (RBI). Further, we have relied on the assumption of the management that there will be no significant increase in the credit risk in the cases where moratorium is given and that the staging based on the days past due (DPD) will be considered as per the RBI COVID-19 Regulatory Package. We have tested on samples basis the DPD freeze for cases where moratorium is provided and not provided in accordance with RBI COVID-19 Regulatory Package;
- With respect to additional provision made by the Company on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company and.
- We have checked the provision on Loan Assets as per IRACP norms as required under RBI circular dated March 13, 2020. We have checked the DPD and provision in accordance with the RBI regulations in that regard further considering the Regulatory Packages issued by RBI dated March 27, 2020 and May 23, 2020 and RBI circular dated April 17, 2020.

For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regards along with its compliance on sample basis

Emphasis of Matter

We draw attention to Note 62 to the consolidated financial statements which describes the classification of accounts as on March 31, 2020 with respect to the accounts which were overdue but standard as on February 29, 2020 and to whom moratorium benefit has been granted. The staging of those accounts under Ind AS as on March 31, 2020 is based on the days past due status as on February 29, 2020 in accordance with the Reserve Bank of India COVID-19 regulatory package. Further, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Holding Company and its Associate in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the

Holding Company and its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its Associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the Holding Company and its Associate are responsible for overseeing the financial reporting process of the Holding Company and its Associate.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its Associate, which is a company incorporated in India have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its Associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its Associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Holding Company and its Associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditors, such other auditors

remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

(a) The consolidated financial statements include Holding Company's share of net profit (including other comprehensive income) of Rs. 10.68 Crores for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of an Associate whose financial statements has not been audited by us. These financial statements have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Associate, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid Associate, is based solely on the reports of the other auditor.

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

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of the associate, as noted in the Other Matters section above we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its associate company incorporated in India, none of the directors of the Holding Company and its Associate, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its Associate, which is incorporated in India and the operating effectiveness of such controls, we refer our separate report in "Annexure";

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us by the Holding Company and the report of the statutory auditor of its Associate incorporated in India, the remuneration paid/provided by the Holding Company and its Associate to its directors during the year is in accordance with the provisions of section 197 of the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its Associate – Refer Note 49 to the consolidated financial statements;

(ii) The Holding Company and its Associate has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the consolidated financial statements.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAACM2363

Place: Mumbai
Date: June 10, 2020

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Sangeeta Gupta
Partner
Membership No. 064225
UDIN:20064225AAAAAY4934

Place: Gurugram
Date: June 10, 2020

[Referred to in paragraph f under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Shriram Transport Finance Company Limited on the consolidated financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Shriram Transport Finance Company Limited ("Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its Associate, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

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

Opinion

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

Other Matters

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

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAACM2363

Place: Mumbai
Date: June 10, 2020

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Sangeeta Gupta
Partner
Membership No. 064225
UDIN:20064225AAAAAY4934

Place: Gurugram
Date: June 10, 2020

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2020

(Rs. in crores)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1 Financial assets			
Cash and cash equivalents	8	3,088.99	1,029.14
Bank balance other than above	9	4,225.93	2,952.33
Derivative financial instruments	10	758.73	21.72
Receivables	11		
(I) Trade receivables		10.50	8.48
(II) Other receivables		5.64	19.94
Loans	12	102,231.63	96,751.49
Investments	13	2,935.63	4,125.54
Other financial assets	14	45.15	36.88
2 Non-financial Assets			
Current tax assets (net)	15	249.10	106.58
Deferred tax assets (net)	43	62.50	75.70
Investment property	16	2.03	2.06
Property, plant and equipment	17	149.88	143.46
Right-of-use assets	18	327.84	-
Other intangible assets	19	2.67	1.97
Other non-financial assets	20	169.57	143.66
Total assets		**114,265.79**	**105,418.95**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Derivative financial instruments	10	-	83.42
Payables			
(I) Trade payables	21		
(i) total outstanding dues of micro enterprises and small enterprises		0.40	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		143.44	133.46
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.13	2.72
Debt securities	22	34,266.96	34,181.76
Borrowings (other than debt securities)	23	42,474.60	37,189.30
Deposits	24	11,960.12	10,341.46
Subordinated liabilities	25	5,670.07	6,201.88
Other financial liabilities	26	912.32	1,016.48
Lease Liabilities	18	362.81	-
2 Non-financial liabilities			
Current tax liabilities (net)	27	102.02	102.97
Provisions	28	146.33	133.26
Other non-financial liabilities	29	83.28	69.49
Total liabilities		**96,123.48**	**89,456.20**
3 Equity			
Equity share capital	30	226.88	226.90
Other equity	31	17,915.43	15,735.85
Total equity		**18,142.31**	**15,962.75**
Total liabilities and equity		**114,265.79**	**105,418.95**

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

(Rs. in crores)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations			
(i) Interest income	32	16,267.46	15,335.69
(ii) Dividend income		0.19	4.99
(iii) Rental income		0.22	0.22
(iv) Fee and commission income	33	194.97	126.60
(v) Net gain on fair value changes	34	-	-
(vi) Other operating income	35	99.52	61.65
(I) Total Revenue from operations		**16,562.36**	**15,529.15**
(II) **Other income**	36	20.27	27.51
(III) Total Income (I + II)		**16,582.63**	**15,556.66**
Expenses			
(i) Finance cost	37	8,270.26	7,511.26
(ii) Fee and commission expense	38	56.88	62.19
(iii) Net loss on fair value changes	34	6.75	2.58
(iv) Impairment of financial instruments	39	2,794.88	2,382.26
(v) Employee benefits expenses	40	1,010.82	883.06
(vi) Depreciation, amortisation and impairment	41	141.05	42.97
(vii) Other expenses	42	863.32	894.07
(IV) Total Expenses		**13,143.96**	**11,778.39**
(V) Profit before exceptional items and tax (III - IV)		**3,438.67**	**3,778.27**
(VI) Exceptional items		-	-
(VII) Profit before tax (V+ VI)		**3,438.67**	**3,778.27**
(VIII) Tax Expense:			
(1) Current tax	43	921.20	1,346.37
(2) Deferred tax	43	14.79	(22.27)
(3) Tax adjustment for earlier years		0.84	(109.82)
(IX) Profit for the year from continuing operations (VII-VIII)		**2,501.84**	**2,563.99**
(X) Share of profit of associate		**10.43**	**11.69**
(XI) Profit for the year (IX + X)		**2,512.27**	**2,575.68**
(XII) Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(6.33)	(3.56)
Share of other comprehensive income from associates		0.34	(0.14)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.59	1.24
Tax on share of other comprehensive income from associates		(0.09)	0.04
Subtotal (A)		**(4.49)**	**(2.42)**
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		**(4.49)**	**(2.42)**
(XIII) Total Comprehensive Income for the year (XI + XII)		**2,507.78**	**2,573.26**
(XIV) Earnings per equity share			
Basic (Rs.)	44	110.73	113.52
Diluted (Rs.)	44	110.73	113.52

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

S. Lakshminarayanan
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New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2020

A. Equity share capital

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2018	**226,882,736**	**226.90**
Changes in Equity share capital during the year	-	-
As at March 31, 2019	**226,882,736**	**226.90**
Changes in Equity share capital during the year	-	(0.02)
As at March 31, 2020	**226,882,736**	**226.88**

B. Other equity

(Rs. in crores)

Particulars	Reserves and Surplus							Other comprehensive income- retirement benefits	Total
	Statutory reserve	Capital reserve	Securities premium account	Debenture redemption reserve	Capital redemption reserve	General reserve	Retained earnings		
Balance as at April 01, 2018	**2,654.55**	**27.62**	**1,754.81**	**216.59**	**53.88**	**1,813.91**	**6,944.52**	**(2.41)**	**13,463.47**
Profit for the year	-	-	-	-	-	-	2,575.68	-	**2,575.68**
Other comprehensive income for the year	-	-	-	-	-	-	-	(2.42)	**(2.42)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,575.68**	**(2.42)**	**2,573.26**
Transferred to/(from)	514.00	-	-	158.03	-	350.44	(1,022.47)	-	-
Dividends (Interim and final)	-	-	-	-	-	-	(249.58)	-	**(249.58)**
Tax on dividend (Interim and final)	-	-	-	-	-	-	(51.30)	-	**(51.30)**
Balance as at March 31, 2019	**3,168.55**	**27.62**	**1,754.81**	**374.62**	**53.88**	**2,164.35**	**8,196.85**	**(4.83)**	**15,735.85**

B. Other equity (Contd.)

(Rs. in crores)

Particulars	Reserves and Surplus							Other comprehensive income- retirement benefits	Total
	Statutory reserve	Capital reserve	Securities premium account	Debenture redemption reserve	Capital redemption reserve	General reserve	Retained earnings		
Balance as at April 01, 2019	**3,168.55**	**27.62**	**1,754.81**	**374.62**	**53.88**	**2,164.35**	**8,196.85**	**(4.83)**	**15,735.85**
Profit for the year	-	-	-	-	-	-	2,512.27	-	**2,512.27**
Other comprehensive income for the year	-	-	-	-	-	-	-	(4.49)	**(4.49)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,512.27**	**(4.49)**	**2,507.78**
Transferred to/(from)	500.38	-	-	235.79	-	250.19	(986.36)	-	-
Transfer from share forfeiture account	-	0.02	-	-	-	-	-	-	**0.02**
Dividends (Interim and final)	-	-	-	-	-	-	(272.26)	-	**(272.26)**
Tax on dividend (Interim and final)	-	-	-	-	-	-	(55.96)	-	**(55.96)**
Balance as at March 31, 2020	**3,668.93**	**27.64**	**1,754.81**	**610.41**	**53.88**	**2,414.54**	**9,394.54**	**(9.32)**	**17,915.43**

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,438.67	3,778.27
Depreciation, amortisation and impairment	141.05	42.97
Interest on income tax refund	(5.80)	(6.66)
Loss on sale of investments	0.12	-
Loss/(profit) on sale of fixed assets (net)	(1.17)	0.51
Impairment on loans	2,748.87	2,450.51
Impairment on investments	42.22	(0.06)
Impairment on undrawn loan commitment	4.39	6.71
Impairment on other assets	(0.60)	(74.90)
Net (gain)/loss on fair value changes on investment	0.87	(0.52)
Net (gain)/loss on fair value changes on derivatives	5.88	3.10
Operating profit before working capital changes	**6,374.50**	**6,199.93**
Movements in Working capital:		
Decrease/(increase) in loans	(8,229.03)	(8,456.35)
(Increase)/decrease in investments	1,157.38	(1,657.13)
Decrease/(increase) in receivables	12.28	(10.98)
Decrease/(increase) in bank deposits	(1,273.60)	(368.49)
Decrease/(increase) in other financial assets	(7.67)	75.49
Decrease/(increase) in other non-financial assets	(28.09)	(3.43)
Increase/(decrease) in payables	10.38	(86.31)
Increase/(decrease) in other financial liabilities	(104.04)	126.22
Increase/(decrease) in non-financial liabilities	13.79	(3.83)
Increase/(decrease) other provision	7.69	2.31
Cash generated from operations	**(2,066.41)**	**(4,182.57)**
Direct taxes paid (net of refunds)	(1,065.03)	(1,352.41)
Net cash flows from/(used in) operating activities (A)	**(3,131.44)**	**(5,534.98)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(57.80)	(77.97)
Proceeds from sale of property, plant and equipment and intangible assets	2.60	1.83
Net cash flows from/(used in) investing activities (B)	**(55.20)**	**(76.14)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Derivatives	(826.31)	64.46
Amount received from deposits received (including ICDs)	4,433.61	5,006.10
Repayment of deposits	(2,940.82)	(3,315.19)
Amount received from debt securities	13,085.18	9,057.53
Repayment of debt securities	(9,557.89)	(6,562.70)
Amount received from subordinated debts	-	2,360.00
Repayment of subordinated debts	(449.01)	(864.56)
Amount received from borrowings other than debt securities	42,569.54	56,824.89
Repayment of borrowings other than debt securities	(40,683.27)	(56,722.52)
Payment of lease liabilities	(56.20)	-
Dividend paid	(272.38)	(247.16)
Tax on dividend	(55.96)	(51.30)

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net cash flows from financing activities (C)	**5,246.49**	**5,549.55**
Net increase in cash and cash equivalents (A+B+C)	2,059.85	(61.57)
Cash and cash equivalents at the beginning of the year	1,029.14	1,090.71
Cash and cash equivalents at the end of the year	**3,088.99**	**1,029.14**
Net cash provided by (used in) operating activities includes		
Interest received on loans	14,487.74	14,842.91
Interest paid	(5,923.07)	(5,813.03)
Dividend received	0.19	4.99

(Rs. in crores)

Components of cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents at the end of the year		
i) Cash on hand	41.24	123.47
ii) Cheques on hand	2.38	18.18
iii) Balances with banks (of the nature of cash and cash equivalents)	1,810.59	761.67
iv) Bank deposit with original maturity less than three months	1,234.78	125.82
Total	**3,088.99**	**1,029.14**

See accompanying notes forming part of the financial statements.

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

1 BASIS OF PREPARATION

The Consolidated financial statements relates to M/s. Shriram Transport Finance Company Limited (the " Company") and its associate. The Consolidated financial statements of the Company and its associate have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

The Consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crore, except when otherwise indicated.

2 BASIS OF CONSOLIDATION

(i) The financial statements of the associate company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2020 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Company and its associate have been prepared in accordance with the Ind AS 110- 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

(iii) The consolidated financial statements have been prepared on the following basis:

a) Investment made by the Company in an associate company is accounted under the equity method, in accordance with the Indian Accounting Standard 28 on 'Investments in Associates and Joint Ventures'.

b) The policies of the associate company are consistent with those of the Company.

(iv) The associate company considered in the consolidated financial statements are as below (refer note 45):

Name of the associate company	Country of incorporation	Share of ownership interest as at March 31, 2020	Share of ownership interest as at March 31, 2019
Shriram Automall India Limited (SAMIL)	India	44.56%	44.56%

3 PRESENTATION OF FINANCIAL STATEMENT

The Consolidated financial statements of the Company and its associate are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

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

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

4 STATEMENT OF COMPLIANCE

These Consolidated financial statements of the Company and its associate have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

Except for the changes below, the Company and its associate has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. Refer note 6.3(iii) for the Company's policy on leases.

5 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

6 SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

(ii) Financial assets measured at amortised cost

Debt instruments

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

Debt instruments are measured at amortised cost where they have:

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

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

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

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

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

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

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

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

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at FVOCI.

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

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date, the Company does not have any financial instruments measured at fair value through profit or loss.

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

Financial instruments held for trading

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

Financial instruments designated as measured at fair value through profit or loss

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

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

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

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

designated any financial instruments as measured at fair value through profit or loss.

(v) Derivatives

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

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.
- The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently measured to their fair value at the end of each reporting period. Such derivative instruments are presented as assets in case of a fair value gain and as liabilities in case of fair value loss. Changes in the fair value of derivatives are included in net gain on fair value changes.

(vi) Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

(vii) Debt securities and other borrowed funds

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

(viii) Financial guarantees

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

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

(ix) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2018-19 and until the year ended March 31, 2020.

(x) Recognition and Derecognition of financial assets and liabilities

Recognition

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

b) Investments are initially recognised on the settlement date.

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

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

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

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

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

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

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

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

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

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

b) Financial liabilities

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

(xi) Impairment of financial assets

Overview of the ECL principles

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

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

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

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Business Loans, Secured loans for new vehicles, Secured loans for used vehicles and Equipment Finance Loans

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

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

Stage 1

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

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

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

Credit-impaired financial assets:

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

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

a) Significant financial difficulty of the borrower or issuer;

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

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

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

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

ECL on Investment in Government securities:

The Company has invested in Government of India loans. Investment in Government securities are classified under stage 1. No ECL has been applied on these investments as there is no history of delay in servicing of interest/repayments. The Company does not expect any delay in interest/redemption servicing in future.

Simplified approach for trade/other receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor.

ECL on Debt instruments measured at fair value through OCI

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

The mechanics of ECL:

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

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 53.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 53

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 53.

Forward looking information

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

Refer note 62 for impact of COVID and macro-economic factors on PD and LGD estimation.

Collateral Valuation

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

Collateral repossessed

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

(xii) Write-offs

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

(xiii) Determination of fair value

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

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

Difference between transaction price and fair value at initial recognition

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

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

6.2 Revenue from operations

(i) Interest Income

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

The EIR in case of a financial asset is computed

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

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

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

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

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

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

Interest spread under par structure of direct assignment of loan receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the statement of profit or loss.

(ii) Dividend Income

Dividend income is recognised

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

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

c. the amount of the dividend can be measured reliably

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset.

(iv) Fees & Commission Income

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

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

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

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

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

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

(v) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 34) held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

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

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

6.3 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

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

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

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

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.
Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

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

b) Defined Benefit schemes

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

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

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

The Company fully contributes all ascertained liabilities to The Trustees - Shriram Transport Finance Company Limited Employees Group Gratuity Assurance Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

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

Other long-term employee benefits

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

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

(iii) Rent Expense:

Upto March 31, 2019

Identification of Lease:

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Recognition of lease payments:

Rent Expenses representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases.

From April 01, 2019

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 (transition date).The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Company's lease asset classes consist of leases for office premises.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative period, leases, lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

In case of a sub-lease, the Company accounts for its head lease and sub-lease separately.

(iv) Other income and expenses

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

(v) Impairment of non-financial assets

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

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

(vi) Taxes

Current Tax

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

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

Deferred tax

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

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

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

Minimum Alternate Tax (MAT)

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

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

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

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

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

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

6.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition:

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

Conversion:

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

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

6.5 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents) and short- term deposits, as defined above.

6.6 Property, plant and equipment

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

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

Depreciation

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

The estimated useful lives are as follows:

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

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

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

6.7 Intangible assets

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

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

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

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

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

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

6.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

6.9 Provisions

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

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

6.10 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

6.11 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity

shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6.12 Share Based Payment Transactions

As per Ind AS 101, the entity is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind-AS. The Company has decided to avail this exemption and have decided not to apply the requirements of Ind AS 102 to equity instruments that vested before date of transition to Ind-AS.

7 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

7.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(xi) Overview of ECL principles.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

7.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
8	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	41.24	123.47
	Balances with banks (of the nature of cash and cash equivalents)	1,810.59	761.67
	Cheques on hand	2.38	18.18
	Bank deposit with original maturity less than three months	1,234.78	125.82
	Total	**3,088.99**	**1,029.14**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The Company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
9	**BANK BALANCE OTHER THAN ABOVE**		
	Balances with banks		
	Unclaimed dividend accounts	10.57	10.69
	Bank deposit with original maturity for more than three months	364.16	200.37
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments. *	3,851.20	2,741.27
	Total	**4,225.93**	**2,952.33**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits Rs. 3,701.14 crores (March 31, 2019: Rs. 2,716.93 crores) pledged with Banks as margin for credit enhancement, Rs. 146.83 crores (March 31, 2019: Rs. 21.28 crores) as margin for guarantees and Rs. 3.23 crores (March 31, 2019: Rs. 3.06 crores) pledged as lien against loans taken.

10 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(Rs. in crores)

Particulars		As at March 31, 2020				As at March 31, 2019			
		Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I									
(i)	**Currency derivatives:**								
	- Spots and forwards	8,018.44	378.05	-	-	374.86	1.22	-	-
	- Currency swaps	1,769.50	11.50	-	-	2,402.33	18.67	2,849.90	83.05
	- Cross currency interest rate swaps	6,389.23	319.50	-	-	-	-	-	-
	Sub total (i)	**16,177.17**	**709.05**	**-**	**-**	**2,777.19**	**19.89**	**2,849.90**	**83.05**
(ii)	**Interest rate derivatives:**								
	-Forward rate agreements and interest rate swaps	-	-	-	-	40.00	1.83	15.00	0.37
	-Interest rate swaps	8,744.63	45.77	-	-	-	-	-	-
	-Interest rate caps	-	3.91	-	-	-	-	-	-
	Sub total (ii)	**8,744.63**	**49.68**	**-**	**-**	**40.00**	**1.83**	**15.00**	**0.37**
(iii)	**Credit derivatives:**	-	-	-	-	-	-	-	-
(iv)	**Equity linked derivatives:**	-	-	-	-	-	-	-	-
(v)	**Other derivatives:**	-	-	-	-	-	-	-	-
Total derivative financial instruments (i+ii+iii+iv+v)		**24,921.80**	**758.73**	**-**	**-**	**2,817.19**	**21.72**	**2,864.90**	**83.42**
Part II									
	Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i)	Undesignated Derivatives	24,921.80	758.73	-	-	2,817.19	21.72	2,864.90	83.42
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)		**24,921.80**	**758.73**	**-**	**-**	**2,817.19**	**21.72**	**2,864.90**	**83.42**

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 53.

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments.

Derivatives not designated as hedging instruments

The Company uses cross currency interest rate swaps, interest rate swaps, principal only swaps, forward contracts, interest rate caps to manage its interest rate risk and foreign currency risk arising from USD and EURO denominated External commercial borrowings and bonds. The derivative instruments are entered into for periods consistent with exposure of the underlying transactions.

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Details of the derivative instruments are given below:

(Rs. in crores)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Notional amounts	Derivative assets	Notional amounts	Derivative liabilities	Notional amounts	Derivative assets	Notional amounts	Derivative liabilities
Interest rate risk:								
Interest rate swaps	8,744.63	45.77	-	-	40.00	1.83	15.00	0.37
Interest rate caps	-	3.91	-	-	-	-	-	-
Foreign currency risk:								
Principal only swaps	1,769.50	11.50	-	-	-	-	-	-
Currency swaps	-	-	-	-	2,402.33	18.67	2,849.90	83.05
Forward contracts	8,018.44	378.05	-	-	374.86	1.22	-	-
Cross currency interest rate swaps	6,389.23	319.50	-	-	-	-	-	-
Total	**24,921.80**	**758.73**	**-**	**-**	**2,817.19**	**21.72**	**2,864.90**	**83.42**

11 RECEIVABLES

(I) Trade receivables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	10.50	8.48
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Total	**10.50**	**8.48**
Less: Allowances for impairment loss	-	-
Total	**10.50**	**8.48**

(II) Other receivables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured *	5.64	19.94
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	2.10	1.58
Total	**7.74**	**21.52**
Less: Allowances for impairment loss on credit impaired other receivables	2.10	1.58
Total	**5.64**	**19.94**

There is no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

*Includes receivables from associate Rs. Nil (March 31, 2019: Rs. 0.58 crores).

11 RECEIVABLES (Contd.)

(Rs. in crores)

Trade receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2020	Estimated total gross carrying amount at default	-	10.22	0.28	-	-	-	**10.50**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	**-**	**10.22**	**0.28**	**-**	**-**	**-**	**10.50**
March 31, 2019	Estimated total gross carrying amount at default	7.98	0.07	0.43	-	-	-	**8.48**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	**7.98**	**0.07**	**0.43**	**-**	**-**	**-**	**8.48**

The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.

(Rs. in crores)

Other receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2020	Estimated total gross carrying amount at default	-	2.46	1.73	1.71	0.31	1.53	**7.74**
	ECL-simplified approach	-	0.18	0.04	0.04	0.31	1.53	**2.10**
	Net carrying amount	**-**	**2.28**	**1.69**	**1.67**	**-**	**-**	**5.64**
March 31, 2019	Estimated total gross carrying amount at default	0.24	19.30	0.34	0.06	0.08	1.50	**21.52**
	ECL-simplified approach	-	-	-	-	0.08	1.50	**1.58**
	Net carrying amount	**0.24**	**19.30**	**0.34**	**0.06**	**-**	**-**	**19.94**

Reconciliation of impairment allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2018	**1.92**
Add: Addition during the year	-
(Less): Reduction during the year	(0.34)
Impairment allowance as per March 31, 2019	**1.58**
Add: Addition during the year	0.53
(Less): Reduction during the year	(0.01)
Impairment allowance as per March 31, 2020	**2.10**

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
12	**LOANS**		
	(A)		
	Loans (at amortised cost)		
	i) Term loans	105,073.08	99,444.62
	ii) Others -Unsecured loans	3,428.63	2,862.87
	Total (A) - Gross	**108,501.71**	**102,307.49**
	Less : Impairment loss allowance	6,270.08	5,556.00
	Total (A) - Net	**102,231.63**	**96,751.49**
	(B)		
	i) Secured by tangible assets	105,061.35	99,440.23
	ii) Secured by deposits	11.73	4.39
	iii) Unsecured	3,428.63	2,862.87
	Total (B) - Gross	**108,501.71**	**102,307.49**
	Less : Impairment loss allowance (refer note 62)	6,270.08	5,556.00
	Total (B) - Net	**102,231.63**	**96,751.49**
	(C) Loans in India		
	i) Public sector	-	-
	ii) Others		
	Retail	107,959.44	101,790.38
	Corporates	542.27	517.11
	Total (C) - Gross	**108,501.71**	**102,307.49**
	Less : Impairment loss allowance (refer note 62)	6,270.08	5,556.00
	Total (C)- Net	**102,231.63**	**96,751.49**

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 53.02.02.06.

(Rs. in crores)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total	Stage 1 collective	Stage 2 collective	Stage 3 collective	TOTAL
Internal rating grade								
Performing								
High grade	71,178.65	-	-	**71,178.65**	52,834.58	-	-	**52,834.58**
Standard grade	15,886.32	-	-	**15,886.32**	21,265.18	-	-	**21,265.18**
Sub-standard grade	-	10,002.10	-	**10,002.10**	-	13,607.30	-	**13,607.30**
Past due but not impaired	-	2,257.56	-	**2,257.56**	-	5,983.97	-	**5,983.97**
Non- performing	-	-	**9,177.08**	**9,177.08**	**0.13**	**0.06**	**8,616.27**	**8,616.46**
Total	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**

12 LOANS (Contd.)

An analysis of changes in the gross carrying amount as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**	**70,398.28**	**16,865.67**	**8,934.46**	**96,198.41**
New assets originated or purchased	43,005.82	7,356.58	1,113.47	**51,475.87**	40,762.97	9,240.97	2,339.34	**52,343.28**
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(31,192.03)	(8,391.85)	(3,662.42)	**(43,246.30)**	(32,302.58)	(8,251.76)	(3,332.56)	**(43,886.90)**
Transfers to stage 1	30,922.99	(27,685.66)	(3,237.33)	-	7,333.10	(6,292.38)	(1,040.72)	-
Transfers to stage 2	(26,129.73)	30,711.25	(4,581.52)	-	(9,506.30)	10,374.80	(868.50)	-
Transfers to stage 3	(3,235.91)	(9,157.36)	12,393.27	-	(2,186.45)	(2,112.51)	4,298.96	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(406.06)	(164.63)	(1,464.66)	**(2,035.35)**	(399.13)	(233.46)	(1,714.71)	**(2,347.30)**
Gross carrying amount closing balance	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	General approach				General approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**1,472.80**	**1,113.46**	**2,969.74**	**5,556.00**	**1,393.04**	**965.36**	**3,094.39**	**5,452.79**
New assets originated or purchased	887.83	489.55	382.72	**1,760.10**	1,929.56	664.44	949.21	**3,543.21**
Transfers to stage 1	2,611.27	(1,581.05)	(1,030.22)	-	731.99	(376.75)	(355.24)	-
Transfers to stage 2	(524.43)	2,014.89	(1,490.46)	-	(192.27)	488.28	(296.01)	-
Transfers to stage 3	(63.94)	(552.01)	615.95	-	(47.46)	(138.55)	186.01	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(1,821.42)	(392.13)	3,202.88	**989.33**	(1,942.93)	(255.86)	1,106.09	**(1,092.70)**
Amounts written off	(406.06)	(164.63)	(1,464.66)	**(2,035.35)**	(399.13)	(233.46)	(1,714.71)	**(2,347.30)**
ECL allowance - closing balance	**2,156.05**	**928.08**	**3,185.95**	**6,270.08**	**1,472.80**	**1,113.46**	**2,969.74**	**5,556.00**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs. 1,447.19 crores at March 31, 2020 (March 31, 2019: Rs. 1,802.17 crores).

13 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total	Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total
i) Mutual funds *	-	3.02	-	**3.02**	-	323.82	-	**323.82**
ii) Government securities (refer note 64)	1,824.46	-	-	**1,824.46**	1,495.15	-	-	**1,495.15**
iii) Debt securities	52.67	-	-	**52.67**	52.67	-	-	**52.67**
iv) Equity instruments	-	3.36	-	**3.36**	-	3.58	-	**3.58**
v) Associates **(at cost)**	-	-	150.52	**150.52**	-	-	139.84	**139.84**
vi) Pass through certificates (unquoted)	942.79	-	-	**942.79**	877.81	-	-	**877.81**
vii) Certificate of deposits	-	-	-	-	-	1,231.71	-	**1,231.71**
viii) Others (venture capital fund)	-	1.04	-	**1.04**	-	0.97	-	**0.97**
Total Gross (A)	**2,819.92**	**7.42**	**150.52**	**2,977.86**	**2,425.63**	**1,560.08**	**139.84**	**4,125.55**
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	2,819.92	7.42	150.52	**2,977.86**	2,425.63	1,560.08	139.84	**4,125.55**
Total Gross (B)	**2,819.92**	**7.42**	**150.52**	**2,977.86**	**2,425.63**	**1,560.08**	**139.84**	**4,125.55**
Less : Allowance for impairment loss (C)	(42.23)	-	-	**(42.23)**	(0.01)	-	-	**(0.01)**
Total - Net D = (A) - (C)	**2,777.69**	**7.42**	**150.52**	**2,935.63**	**2,425.62**	**1,560.08**	**139.84**	**4,125.54**

More information regarding the valuation methodologies can be found in Note 52.10

* The Company received dividend of Rs. 0.19 crores (March 31, 2019: Rs. 4.99 crores) from its investments measured at fair value through profit or loss, recorded as dividend income.

Investments carried at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system for investments carried at amortised cost are explained in note 53.02.

(Rs. in crores)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	2,767.25	-	-	**2,767.25**	2,425.63	-	-	**2,425.63**
Standard grade	-	-	-	-	-	-	-	-
Non-performing	-	-	-	-	-	-	-	-
Individually Impaired	-	52.67	-	**52.67**	-	-	-	-
Total	**2,767.25**	**52.67**	**-**	**2,819.92**	**2,425.63**	**-**	**-**	**2,425.63**

13 INVESTMENTS (Contd.)

An analysis of changes in gross carrying amount and the corresponding ECLs on investments carried at amortised cost is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	2,425.63	-	-	**2,425.63**	2,267.04	52.67	-	**2,319.71**
New assets originated or purchased	1,190.59	-	-	**1,190.59**	798.22	-	-	**798.22**
Assets derecognised or matured (excluding write-offs)	(796.51)	-	-	**(796.51)**	(692.10)	-	-	**(692.10)**
Change in fair value	0.21	-	-	**0.21**	(0.20)	-	-	**(0.20)**
Transfers to stage 1	-	-	-	-	52.67	(52.67)	-	-
Transfers to stage 2	(52.67)	52.67	-	-	-	-	-	-
Closing balance	**2,767.25**	**52.67**	-	**2,819.92**	**2,425.63**	-	-	**2,425.63**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**0.01**	-	-	**0.01**	-	**0.07**	-	**0.07**
New assets originated or purchased	-	-	-	-	-	-	-	-
Transfers to stage 1	-	-	-	-	0.07	(0.07)	-	-
Transfers to stage 2	(0.01)	0.01	-	-	-	-	-	-
Unwinding of discount (recognised in interest income)	-	0.93	-	**0.93**	-	-	-	-
Changes to models and inputs used for ECL calculations	23.79	17.50	-	**41.29**	(0.06)	-	-	**(0.06)**
Closing balance in ECL	**23.79**	**18.44**	-	**42.23**	**0.01**	-	-	**0.01**

Reconciliation of gross carrying value of investment in associate is given below:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**139.84**	**128.25**
Share of profit of associate	10.43	11.69
Share of other comprehensive income from associates (net of tax)	0.25	(0.10)
Closing balance	**150.52**	**139.84**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
14 OTHER FINANCIAL ASSETS		
Security deposits *	45.15	36.88
Total	**45.15**	**36.88**

* Net of allowance for impairment loss recognised on security deposit Rs. 0.60 crore (March 31, 2019: Rs. 1.28 crores).

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
15 CURRENT TAX ASSETS (NET)		
Advance income tax [net of provision for income tax Rs. 2,910.66 crores (March 31, 2019: Rs. 2,909.82 crores)]	249.10	106.58
Total	**249.10**	**106.58**

(Rs. in crores)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Freehold Land	Buildings	Total	Freehold Land	Buildings	Total
16 INVESTMENT PROPERTY						
Gross block at cost						
Opening balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Accumulated depreciation and impairment						
Opening balance	-	**0.09**	**0.09**	-	**0.06**	**0.06**
Depreciation charge for the year	-	0.03	**0.03**	-	0.03	**0.03**
Disposals	-	-	-	-	-	-
Closing balance	-	**0.12**	**0.12**	-	**0.09**	**0.09**
Net carrying amount	**0.70**	**1.33**	**2.03**	**0.70**	**1.36**	**2.06**

(i) Amounts recognised in Statement of Profit and Loss for Investment property

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rental income from investment property	0.22	0.22
Direct operating expenses arising from investment property that generated rental income during the year	0.06	0.03
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-
Profit from investment property before depreciation	**0.16**	**0.19**
Depreciation charge for the year	0.03	0.03
Profit from investment property after depreciation	**0.13**	**0.16**

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The fair value of the investment property as at March 31, 2020 is Rs. 6.43 crores (March 31, 2019: Rs. 6.43 crores).

(iv) Pledged details

Investment property is not pledged.

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) Leasing arrangements

Investment properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

17 PROPERTY, PLANT AND EQUIPMENT

(Rs. in crores)

Particulars	Freehold Land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total
Gross block at cost									
As at April 01, 2018	**0.15**	**2.72**	**8.82**	**33.62**	**17.81**	**20.24**	**0.54**	**62.26**	**146.16**
Additions	0.50	0.78	1.86	19.20	8.40	6.73	-	31.92	**69.39**
Disposals	-	1.11	0.90	7.95	1.60	1.17	0.27	5.79	**18.79**
Adjustment*	-	-	-	-	0.01	-	-	(0.01)	-
As at March 31, 2019	**0.65**	**2.39**	**9.78**	**44.87**	**24.62**	**25.80**	**0.27**	**88.38**	**196.76**
Additions	-	-	1.53	17.66	9.12	5.38	-	22.74	**56.43**
Disposals	0.06	-	0.29	8.24	2.15	0.78	0.02	6.13	**17.67**
Adjustment*	-	-	0.07	-	-	0.29	-	(0.36)	-
As at March 31, 2020	**0.59**	**2.39**	**11.09**	**54.29**	**31.59**	**30.69**	**0.25**	**104.63**	**235.52**
Accumulated depreciation and impairment									
As at April 01, 2018	**-**	**0.04**	**1.00**	**5.70**	**4.66**	**1.96**	**0.03**	**14.54**	**27.93**
Charge for the year	-	0.05	1.36	12.37	4.98	2.84	0.08	20.24	**41.92**
Disposals	-	0.17	0.80	7.27	1.48	1.00	0.26	5.57	**16.55**
Adjustment*	-	-	-	-	0.01	-	-	(0.01)	-
As at March 31, 2019	**-**	**(0.08)**	**1.56**	**10.80**	**8.17**	**3.80**	**(0.15)**	**29.20**	**53.30**
Charge for the year	-	0.05	1.47	15.56	5.49	3.28	0.07	22.66	**48.58**
Disposals	-	-	0.23	7.44	1.98	0.66	0.01	5.92	**16.24**
Adjustment*	-	-	0.02	-	-	0.10	-	(0.12)	-
As at March 31, 2020	**-**	**(0.03)**	**2.82**	**18.92**	**11.68**	**6.52**	**(0.09)**	**45.82**	**85.64**
Net carrying amount as at March 31, 2019	**0.65**	**2.47**	**8.22**	**34.07**	**16.45**	**22.00**	**0.42**	**59.18**	**143.46**
Net carrying amount as at March 31, 2020	**0.59**	**2.42**	**8.27**	**35.37**	**19.91**	**24.17**	**0.34**	**58.81**	**149.88**

* Adjustment is on account of regrouping of property, plant and equipment and other intangible assets.

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2020 is Rs. 0.36 crores (March 31, 2019: Rs. 0.34 crores).

18 LEASES

A] This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in the balance sheet

The Balance sheet shows the following amounts relating to leases

Right-of-use assets

(Rs. in crores)

Particulars	As at March 31, 2020
Office premises	
As at March 31, 2019	-
Right-of-use assets on transition	371.83
Additions	71.36
Depreciation charge for the year	(91.17)
Deletions	(24.18)
Net carrying amount as at March 31, 2020	**327.84**

Lease liabilities

Maturity analysis of lease liabilities

(Rs. in crores)

Particulars	As at March 31, 2020
Less than 1 year	80.97
1 to 2 years	74.50
2 to 3 years	61.40
3 to 4 years	47.99
4 to 5 years	35.80
More than 5 years	62.15
Total	**362.81**

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to the lease contracts existing on April 01, 2019 using the modified retrospective approach, recognising right-of-use assets and adjusted lease liability. As per Ind AS 116, lease commitments are recognised as lease liability and need not be disclosed under contingent liabilities and commitments.

The Company has taken various office premises under lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

(Rs. in crores)

	Particulars	As at March 31, 2020
(ii)	**Amounts recognised in the Statement of Profit or Loss**	
	Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	91.17
	Interest expense (included in finance costs)	33.73
	Expense relating to short-term leases (included in other expenses)	9.88
	Expense relating to variable lease payments not included in lease liabilities (included in other expenses).	-
	Income from subleasing right-of-use assets(included in other income)	8.61
(iii)	**Gains or losses arising from sale and leaseback transactions**	-
(iv)	**The total cash outflow for leases during the year ended March 31, 2020**	110.46

The weighted average incremental borrowing rate of 9.09% has been applied to lease liabilities recognised in the balance sheet as at April 01, 2019 .

The difference between the operating lease commitments disclosed applying Ind AS 17 as of March 31, 2019 and the value of the lease liability arrived using the incremental borrowing rate as of April 01, 2019 is primarily on account of exclusion of short term leases in measuring the lease liability in accordance with Ind AS 116.

18 LEASES (Contd.)

The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

B] This note provides information for leases where the Company is a lessor.

The Company has given office premises under lease. The income from lease recognised in the Statement of Profit and Loss are Rs. 0.22 crore (March 31, 2019: Rs. 0.22 crore). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

Future minimum lease receivables under non-cancellable leases as at March 31, 2020 are as follows:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	0.16	0.15
After one year but not more than five years	0.42	0.58
More than five years	-	-
Total	**0.58**	**0.73**

(Rs. in crores)

Particulars	Computer software
19 OTHER INTANGIBLE ASSETS #	
Gross block at cost	
As at April 01, 2018	**2.63**
Additions	1.36
Disposals	1.93
As at March 31, 2019	**2.06**
Additions	1.96
Disposals	-
As at March 31, 2020	**4.02**
Accumulated amortisation and impairment:	
As at April 01, 2018	**0.89**
Charge for the year	1.03
Disposals	1.83
Adjustment*	0.00
As at March 31, 2019	**0.09**
Charge for the year	1.26
Disposals	-
As at March 31, 2020	**1.35**
Net carrying amount as at March 31, 2019	**1.97**
Net carrying amount as at March 31, 2020	**2.67**

* Adjustment is on account of regrouping of property, plant and equipment and other intangible assets

Other than internally generated

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
20 OTHER NON-FINANCIAL ASSETS		
Deferred lease rental	-	8.67
Goods and services tax credit (input) receivable	66.86	52.06
Prepaid expenses	8.21	8.32
Capital advances	0.86	3.04
Duties paid under protest	86.40	64.68
Other non-financial assets	7.24	6.89
Total	**169.57**	**143.66**

21 PAYABLES

Trade payables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	0.40	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises *	143.44	133.46
Total	**143.84**	**133.46**

*Includes payable to associate Rs. 0.41 crores (March 31, 2019: Rs. Nil).

Other payables

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.13	2.72
Total	**1.13**	**2.72**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
22 DEBT SECURITIES		
At amortised cost		
Secured		
Redeemable non-convertible debentures		
- Public issue ¥	5,796.78	5,770.85
- Privately placed ¥¥	14,204.14	19,127.33
External commercial bond	12,607.01	2,769.96
Senior secured notes	1,204.92	2,564.99
Unsecured		
Redeemable non-convertible debentures		
- Privately placed	454.11	444.83
Commercial papers	-	3,503.80
Total	**34,266.96**	**34,181.76**
Debt securities in India	20,455.03	28,846.81
Debt securities outside India	13,811.93	5,334.95
Total	**34,266.96**	**34,181.76**

¥ includes Rs. 40.50 crores (March 31, 2019 Rs.14.49 crores) issued to related parties including Directors.

¥¥ includes Rs. Nil (March 31, 2019 Rs. 82.81 crores) issued to related parties.

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
23	**BORROWINGS (OTHER THAN DEBT SECURITIES)**		
	At amortised cost		
	Secured		
	Term loan from banks - INR	13,259.27	11,831.39
	Term loan from banks - FCNR	-	411.52
	Term loan from financial institutions/corporates - INR	1,446.29	3,413.04
	External commercial borrowing - FCNR	4,300.61	2,376.53
	Loans repayable on demand from banks (Cash credit from banks)	2,016.39	1,418.30
	Other loans - INR -Securitisation liabilities	21,452.04	17,738.52
	Total	**42,474.60**	**37,189.30**
	Borrowings in India	38,173.99	34,401.25
	Borrowings outside India	4,300.61	2,788.05
	Total	**42,474.60**	**37,189.30**

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
24	**DEPOSITS**		
	At amortised cost		
	Unsecured		
	Deposits		
	i. Public deposits *	11,768.48	10,169.76
	ii. From corporate **	152.22	145.32
	iii. Inter-corporate deposits from associate	39.42	26.38
	Total	**11,960.12**	**10,341.46**

* includes Rs. 1.58 crores (March 31, 2019 Rs. 1.42 crores) accepted from related parties including Director.

** includes Rs. 1.55 crores (March 31, 2019 Rs. 14.99 crores) accepted from related parties.

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
25	**SUBORDINATED LIABILITIES**		
	At amortised cost		
	Unsecured		
	Subordinated debts - Debentures #	5,138.00	5,243.09
	Subordinated debts - Bonds ##	532.07	958.79
	Total	**5,670.07**	**6,201.88**
	Subordinated debts in India	5,670.07	6,201.88
	Subordinated debts outside India	-	-
	Total	**5,670.07**	**6,201.88**

includes Rs. 422.19 crores (March 31, 2019 Rs. 470.39 crores) issued to related parties.

includes Rs. 3.17 crores (March 31, 2019 Rs. 5.92 crores) issued to related parties.

I DEBT SECURITIES

A) Redeemable non-convertible debenture (NCD) -secured

i) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2013)-2

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	-	104.94	-	**104.94**
Total	**-**	**104.94**	**-**	**104.94**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	-	100.99	-	**100.99**
Total	**-**	**100.99**	**-**	**100.99**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 500.00 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

As per the terms of the issue NCD 2013 (2) Rs. 114.68 crores were redeemed on October 23, 2018.

As per the terms of the issue Rs. 294.01 crores were redeemed on October 24, 2016.

ii) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2014)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	35.05	198.45	-	**233.50**
Total	**35.05**	**198.45**	**-**	**233.50**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
24-36 months	-	227.59	-	**227.59**
12-24 months	27.80	437.16	-	**464.96**
Total	**27.80**	**664.75**	**-**	**692.55**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 1,974.85 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

As per the terms of the issue Rs. 427.15 crores were redeemed on July 15, 2019.

As per the terms of the issue Rs. 1,348.33 crores were redeemed on July 15, 2017.

I DEBT SECURITIES (Contd.)

iii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 1)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	496.11	-	-	**496.11**
36-48 months	825.13	-	-	**825.13**
12-24 months	2,427.46	-	-	**2,427.46**
Total	**3,748.70**	**-**	**-**	**3,748.70**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	609.81	-	-	**609.81**
48-60 months	813.37	-	-	**813.37**
24-36 months	2,407.61	-	-	**2,407.61**
Total	**3,830.79**	**-**	**-**	**3,830.79**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 3,648.52 crores raised from public issue (net off expenses) towards repayment of borrowings as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 107.40 crores were redeemed on December 26, 2019

iv) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 2)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.51	-	-	**71.51**
36-48 months	262.12	-	-	**262.12**
12-24 months	-	295.02	-	**295.02**
Total	**333.63**	**295.02**	**-**	**628.65**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.59	-	-	**71.59**
48-60 months	254.12	-	-	**254.12**
24-36 months	-	288.65	-	**288.65**
Total	**325.71**	**288.65**	**-**	**614.36**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 606.79 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

I DEBT SECURITIES (Contd.)

v) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 3)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.87	-	-	**59.87**
36-48 months	232.06	-	-	**232.06**
12-24 months	-	253.76	-	**253.76**
Total	**291.93**	**253.76**	**-**	**545.69**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.73	-	-	**59.73**
48-60 months	226.96	-	-	**226.96**
24-36 months	-	245.47	-	**245.47**
Total	**286.69**	**245.47**	**-**	**532.16**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 537.32 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

vi) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 1)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	20.48	41.75	-	**62.23**
48-60 months	33.47	66.95	-	**100.42**
24-36 months	41.21	86.90	-	**128.11**
12-24 months	-	54.98	-	**54.98**
Total	**95.16**	**250.58**	**-**	**345.74**

Outstanding as at March 31, 2019 is Rs. Nil.

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 339.94 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

I DEBT SECURITIES (Contd.)

vii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 2)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
Over 60 months	26.19	-	-	**26.19**
48-60 Months	64.80	-	-	**64.80**
24-36 months	78.09	20.48	-	**98.57**
Total	**169.08**	**20.48**	**-**	**189.56**

Outstanding as at March 31, 2019 is Rs. Nil.

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 193.67 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

viii) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10%* ¥^	>= 10% < 12% *^	>= 12% < 14%	>=14% <16%	
over 60 months	524.89	-	-	-	**524.89**
48-60 months	154.80	1,299.08	-	-	**1,453.88**
36-48 months	210.38	172.02	-	-	**382.40**
24-36 months	1,780.18	202.41	148.38	-	**2,130.97**
12-24 months ^	4,481.32	804.89	-	-	**5,286.21**
upto 12 months *¥^	4,045.92	379.87	-	-	**4,425.79**
Total	**11,197.49**	**2,858.27**	**148.38**	**-**	**14,204.14**

* Includes 1 NCD of Rs. 666.00 crores partly paid to the extent of Rs. 666,000/- (50% redeemed)

* Includes 1 NCD of Rs. 25.00 crores partly paid to the extent of Rs. 111,111.11

^NCD amounting to Rs. 1,867.30 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under (Rs. in crores)

Sr No	Rate of interest	Amount	Put/Call option date
1	8.87%	110.00	August 7, 2020
Total		**110.00**	

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10% *^¥	>= 10% < 12% ^	>= 12% < 14%	>=14% <16%	
over 60 months	692.23	1,334.80	-	-	**2,027.03**
48-60 months	210.24	190.84	-	-	**401.08**
36-48 months ^	1,522.76	-	145.77	-	**1,668.53**
24-36 months ^¥	4,687.66	220.02	-	-	**4,907.68**
12-24 months*^¥	2,227.78	980.85	199.10	13.61	**3,421.34**
upto 12 months ¥^	6,701.67	-	-	-	**6,701.67**
Total	**16,042.34**	**2,726.51**	**344.87**	**13.61**	**19,127.33**

* Includes 1 NCD of Rs. 300.00 crores partly paid to the extent of Rs. 500,000/-

I DEBT SECURITIES (Contd.)

* Includes 3 NCD of Rs. 80.00 crores partly paid to the extent of Rs. 50,000/-

* Includes 2 NCD of Rs. 90.00 crores partly paid to the extent of Rs. 60,000/-

* Includes 1 NCD of Rs. 666.00 crores partly paid to the extent of Rs. 666,000/-

* Includes 1 NCD of Rs. 25.00 crores partly paid to the extent of Rs.111,111.11

* Includes 1 NCD of Rs. 15.00 crores partly paid to the extent of Rs. 100,000/-

^NCD amounting to Rs. 2,177.00 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under (Rs. in crores)

Sr No	Rate of interest	Amount	Put/Call option date
1	8.87%	110.00	August 7, 2020
2	8.10%	300.00	March 23, 2020
3	8.79%	45.00	May 22, 2019
Total		**455.00**	

Nature of security

Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

(Rs. in crores)

Total non-convertible debentures- secured	As at March 31, 2020	As at March 31, 2019
Public issue (i+ii+iii+iv+v+vi+vii)	5,796.78	5,770.85
Privately placed (viii)	14,204.14	19,127.33
Total non-convertible debentures- secured	**20,000.92**	**24,898.18**

B) External commercial bond (ED) Secured

Privately Placed Redeemable External commercial bond of Rs. 100,000/- each

Terms of repayment as on March 31, 2020 (Rs. in crores)

Detail	< 10%	>= 10% < 12%	Total
36-48 months	3,808.17	-	**3,808.17**
24-36 months	5,772.26	-	**5,772.26**
12-24 months	-	3,026.58	**3,026.58**
Total	**9,580.43**	**3,026.58**	**12,607.01**

Terms of repayment as on March 31, 2019 (Rs. in crores)

Detail	Rate of interest	Total
24-36 months	>=10% <12%	**2,769.96**
Total		**2,769.96**

During the year ended March 31, 2020, the Company issued and allotted USD 250,000,000 5.3750% senior secured notes due 2022 in offshore market (notes) equivalent to Rs. 1,714.38 crores under USD 2,000,000,000 Global Medium Term Note Programme. The said notes are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the notes have been utilised for the purpose of onward lending and other activities as may be permitted by the ECB Directions.

During the year ended March 31, 2020, the Company issued and allotted USD 500,000,000 5.100% senior secured notes due 2023 in offshore market (Social Bonds) equivalent to Rs. 3,541.75 crores under USD 3,000,000,000 Global Medium Term Note Programme. The said Social Bonds are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the Social Bonds have been utilised for the purpose of onward lending and other activities as per the Company's Social Finance Framework and as may be permitted by the ECB Directions.

I DEBT SECURITIES (Contd.)

During the year ended March 31, 2019, the Company issued and allotted senior secured notes in offshore market (notes) aggregating to INR 2,849.90 crores consisting of 5.70% notes due 2022 under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue have been utilised for the purpose of onward disbursements.

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

C) Senior secured notes

Senior secured notes of Rs. 10,000,000/- each

Terms of repayment

(Rs. in crores)

Detail	Rate of interest	As at March 31, 2020	As at March 31, 2019
48-60 months	<10%	-	882.97
36-48 months	<10%	885.54	-
24-36 months	<10%	-	317.48
12-24 months	<10%	-	1,364.54
upto 12 months	<10%	319.38	-
Total		**1,204.92**	**2,564.99**

During the year ended March 31, 2018, the Company had issued senior secured notes in offshore market (notes) aggregating to INR 1,160 crores consisting of INR 840 crores 8.10% notes due 2023 and INR 320 crores 7.90% notes due 2021 payable in US dollars under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST).

The Company had utilised the entire sum of Rs. 1,160.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

During the year ended March 31, 2017, the Company had issued Rs. 1,350.00 crores 8.25 % senior secured notes at the price of 100.18% that are due for repayment on February 18, 2020. The said notes (with ISIN - XS 1549374475) are listed and traded on the Singapore Exchange (SGX-ST) with a minimum board lot size of S $200,000.

The Company had utilised the entire sum of Rs. 1,350.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

As per the terms of the issue, Rs. 1,350.00 crores were redeemed on February 18, 2020.

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

D) Redeemable non-convertible debenture (NCD) -unsecured

i) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
48-60 months	-	-	454.11	**454.11**
Total	**-**	**-**	**454.11**	**454.11**

Terms of repayment as on March 31, 2019

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	-	-	444.83	**444.83**
Total	**-**	**-**	**444.83**	**444.83**

I DEBT SECURITIES (Contd.)

E) Commercial paper (CP) - unsecured

Privately placed redeemable commercial paper of Rs. 500,000/- each

Terms of repayment as on March 31, 2020

Outstanding as at March 31, 2020 is Rs. Nil.

Terms of repayment as on March 31, 2019 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
upto 12 months	3,503.80	-	-	**3,503.80**
Total	**3,503.80**	-	-	**3,503.80**

II BORROWINGS (other than debt securities)

A) Term loans from banks -secured (INR)

As at March 31, 2020

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.50% to 9.50%	20 instalments of quarterly frequency	2,265.25
36-48 months	8.91% to 9.68%	20 instalments of quarterly frequency	583.49
24-36 months	8.11% to 9.63%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	2,469.48
12-24 months	7.00% to 9.90%	1 to 20 instalments of bullet, quarterly and specific frequency	3,112.87
upto 12 months	7.47% to 12.25%	1 to 36 instalments of bullet, monthly, quarterly, half-yearly and specific frequency	4,828.18
Total			**13,259.27**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2019

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.50% to 10.74%	20 to 21 instalments of quarterly frequency	749.37
36-48 months	8.56% to 9.48%	20 instalments of quarterly frequency	2,343.59
24-36 months	8.30% to 9.85%	12 to 20 instalments of quarterly and specific frequency	2,169.61
12-24 months	8.45% to 10.35%	7 to 36 instalments of monthly, quarterly and specific frequency	2,256.55
upto 12 months	7.75% to 10.76%	1 to 48 instalments of bullet, monthly, quarterly, half-yearly and yearly frequency	4,312.27
Total			**11,831.39**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (other than debt securities) (Contd.)

B) Term loans from banks -secured (FCNR)

As at March 31, 2020

Outstanding as at March 31, 2020 is Rs. Nil.

As at March 31, 2019

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
upto 12 months	2.59% to 9.37%	1 to 10 instalments of bullet, quarterly and specific frequency	411.52
Total			**411.52**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

C) Term loans from financial institutions/corporates -secured (INR)

As at March 31, 2020

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	10.20%	11 instalments of specific frequency	227.76
36-48 months	10.50%	11 instalments of specific frequency	461.02
12-24 months	7.95% to 9.21%	11 to 20 instalments of quarterly and specific frequency	646.94
upto 12 months	8.60% to 9.29%	1 to 20 instalments of bullet and quarterly frequency	110.57
Total			**1,446.29**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2019

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	10.20%	11 instalments of half-yearly and specific frequency	320.35
48-60 months	10.50%	11 instalments of half-yearly and specific frequency	712.29
36-48 months	8.40% to 9.98%	11 to 20 instalments of quarterly and specific frequency	1,121.92
12-24 months	8.75% to 9.27%	1 to 20 instalments of bullet and quarterly frequency	771.76
upto 12 months	8.60% to 10.50%	1 to 20 instalments of bullet, quarterly and half-yearly frequency	486.72
Total			**3,413.04**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (other than debt securities) (Contd.)

D) External commercial borrowing

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.63% to 11.06%	11 to 13 instalments of half-yearly and specific frequency	1,694.61
36-48 months	9.83% to 10.02%	Bullet frequency	2,606.00
Total			**4,300.61**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2019

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	9.83% to 10.02%	Bullet frequency	2,376.53
Total			**2,376.53**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

E) Other loans - INR -Securitisation liabilities

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
above 60 months	9.40% to 10.02%	1 to 57 instalments monthly frequency	676.13
48-60 months	7.99% to 10.97%	1 to 63 instalments monthly frequency	9,882.22
36 - 48 months	8.32% to 10.56%	1 to 61 instalments monthly frequency	6,053.47
24 - 36 months	6.90% to 8.87%	1 to 60 instalments monthly frequency	2,526.03
12 - 24 months	7.00% to 7.53%	1 to 55 instalments monthly frequency	303.11
below 12 months	8.28% to 10.21%	1 to 57 instalments monthly frequency	2,011.08
Total			**21,452.04**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2019

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.31% to 10.38%	1 to 61 instalments of monthly frequency	9,473.46
36 - 48 months	6.90% to 8.81%	1 to 60 instalments of monthly frequency	5,795.92
24 - 36 months	7.00% to 8.51%	1 to 55 instalments of monthly frequency	2,170.32
12 - 24 months	7.54% to 8.30%	1 to 55 instalments of monthly frequency	298.82
Total			**17,738.52**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (other than debt securities) (Contd.)

F) Loans repayable on demand from banks (Cash credit from banks)

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2020
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.00 % to 11.40 %	2,016.39
Total		**2,016.39**

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2019
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.10 % to 11.95 %	1,418.30
Total		**1,418.30**

III DEPOSITS

A) Deposits from public - unsecured -[refer note 64]

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,010.22	-	**1,010.22**
36-48 months	1,140.06	-	**1,140.06**
24-36 months	3,089.58	-	**3,089.58**
12-24 months	3,766.76	-	**3,766.76**
upto 12 months	2,761.85	-	**2,761.85**
Total	**11,768.47**	**-**	**11,768.47**

Terms of repayment as on March 31, 2019 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,050.68	-	**1,050.68**
36-48 months	944.76	-	**944.76**
24-36 months	3,583.09	-	**3,583.09**
12-24 months	2,201.39	-	**2,201.39**
upto 12 months	2,093.31	296.53	**2,389.84**
Total	**9,873.23**	**296.53**	**10,169.76**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Deposits from public	**11,768.47**	**10,169.76**

III DEPOSITS (Contd.)

B) Deposits from corporates - unsecured

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	4.53	-	**4.53**
36-48 months	2.16	-	**2.16**
24-36 months	18.08	-	**18.08**
12-24 months	71.44	-	**71.44**
upto 12 months	56.01	-	**56.01**
Total	**152.22**	**-**	**152.22**

Terms of repayment as on March 31, 2019 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	16.54	-	**16.54**
36-48 months	6.13	-	**6.13**
24-36 months	24.02	-	**24.02**
12-24 months	35.17	-	**35.17**
upto 12 months	63.12	0.34	**63.46**
Total	**144.98**	**0.34**	**145.32**

C) Inter-corporate deposits from associate

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2020
upto 12 months	7.50%	Bullet repayment	39.42
Total			**39.42**

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2019
upto 12 months	9.50%	Bullet repayment	26.38
Total			**26.38**

IV SUBORDINATED LIABILITIES

A) Subordinated liabilities -unsecured - Bonds

i) Privately placed subordinated debts of Rs. 1,000/- each

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	532.07	-	**532.07**
Total	**-**	**532.07**	**-**	**532.07**

IV SUBORDINATED LIABILITIES (Contd.)

Terms of repayment as on March 31, 2019 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
12-24 months	-	492.67	-	**492.67**
upto 12 months	-	466.12	-	**466.12**
Total	-	**958.79**	-	**958.79**

(Rs. in crores)

Subordinated liabilities (unsecured) - Bonds	As at March 31, 2020	As at March 31, 2019
Privately placed	532.07	958.79
Total Subordinated liabilities (unsecured) - Bonds	**532.07**	**958.79**

B) Subordinated liabilities -unsecured - Debentures

i) Privately placed subordinated liabilities of Rs. 100,000/- each

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	74.94	-	**74.94**
Total	-	**74.94**	-	**74.94**

Terms of repayment as on March 31, 2019 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
12-24 months	-	74.92	-	**74.92**
upto 12 months	-	67.04	-	**67.04**
Total	-	**141.96**	-	**141.96**

ii) Privately placed subordinated liabilities of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,570.91	135.51	-	**1,706.42**
48-60 months	40.97	531.22	1,609.30	**2,181.49**
36-48 months	-	332.37	-	**332.37**
24-36 months	-	308.85	-	**308.85**
12-24 months	-	-	51.86	**51.86**
upto 12 months	-	482.07	-	**482.07**
Total	**1,611.88**	**1,790.02**	**1,661.16**	**5,063.06**

Terms of repayment as on March 31, 2019 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,611.01	662.08	1,580.12	**3,853.21**
48-60 months	-	332.10	-	**332.10**
36-48 months	-	308.59	-	**308.59**
24-36 months	-	-	51.77	**51.77**
12-24 months	-	481.33	-	**481.33**
upto 12 months	-	74.13	-	**74.13**
Total	**1,611.01**	**1,858.23**	**1,631.89**	**5,101.13**

IV SUBORDINATED LIABILITIES (Contd.)

(Rs. in crores)

Subordinated liabilities (unsecured) - Debentures	As at March 31, 2020	As at March 31, 2019
Privately placed (i+ii)	5,138.00	5,243.09
Total Subordinated liabilities (unsecured) - Debentures	**5,138.00**	**5,243.09**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
26 OTHER FINANCIAL LIABILITIES		
Investor education and protection fund shall be credited by the following amounts (as and when due)		
- Unclaimed dividend	10.57	10.69
- Unclaimed matured deposits and interest accrued thereon	150.02	173.40
- Unclaimed matured debentures and interest accrued thereon	15.45	18.33
- Unclaimed matured subordinated debts and interest accrued thereon	81.69	46.61
Temporary credit balance in bank accounts	26.63	68.95
Payable on account of assignment	78.78	131.67
Payable to dealers	0.99	6.20
Payable to employees	146.41	125.15
Retention money and other sundry liabilities	217.27	217.73
Other liabilities *	184.51	217.75
Total	**912.32**	**1,016.48**

* Other liabilities include amount payable to Banks for credit card payments, settlement dues payable to resigned employees.

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
27 CURRENT TAX LIABILITIES (NET)		
For taxation [net of advance tax Rs. 1,077.82 crores (March 31, 2019: Rs. 2.64 crores)]	102.02	102.97
Total	**102.02**	**102.97**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
28 PROVISIONS		
For employee benefits		
For gratuity (refer note 46)	3.37	1.28
For compensated absences (leave encashment and availment)	34.06	27.47
For others		
For undrawn loan commitment	16.15	11.76
For taxes- contested	92.75	92.75
Total	**146.33**	**133.26**

28 PROVISIONS (Contd.)

Financial guarantee obligation

An analysis of changes in the gross carrying amount in relation to financial guarantee exposure is, as follows:

Gross exposure reconciliation

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance of outstanding exposure	-	**871.76**
Additions	-	-
Deletions	-	(871.76)
Closing balance of outstanding exposure	-	-

Reconciliation of ECL on financial guarantee obligation is given below:

(Rs. in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Particulars	**Simplified approach**	**Simplified approach**
Financial guarantee obligation - opening balance	-	**72.93**
Additions	-	-
Deletions	-	(72.93)
Financial guarantee obligation - closing balance	-	-

Loan commitments

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53.02.02.06.

(Rs. in crores)

	As at March 31, 2020	As at March 31, 2019
Particulars	**Stage 1 Collective**	**Stage 1 Collective**
Internal rating grade		
Performing		
High grade	311.87	471.92
Total	**311.87**	**471.92**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

(Rs. in crores)

	Year ended March 31, 2020	Year ended March 31, 2019
Particulars	**Stage 1**	**Stage 1**
Opening balance of outstanding exposure	**471.92**	**124.86**
New exposures	233.39	449.02
Exposures derecognised or matured/repaid (excluding write offs)	(393.44)	(101.96)
Closing balance of outstanding exposure	**311.87**	**471.92**

28 PROVISIONS (Contd.)

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	General approach	General approach
	Stage 1	Stage 1
ECL allowance - opening balance	11.76	5.05
New exposures	10.78	11.13
Exposures derecognised or matured (excluding write offs)	(6.39)	(4.42)
ECL allowance - closing balance	**16.15**	**11.76**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
29 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues payable	73.96	54.87
Advance from customers	9.32	14.62
Total	**83.28**	**69.49**

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
30 EQUITY SHARE CAPITAL		
Authorised:		
647,000,000 (March 31, 2019: 647,000,000) equity shares of Rs.10/- each	647.00	647.00
95,000,000 (March 31, 2019: 95,000,000) preference shares of Rs.100/- each	950.00	950.00
	1,597.00	**1,597.00**
Issued share capital		
226,888,877 (March 31, 2019: 226,936,877) equity shares of Rs. 10/- each	226.89	226.94
Subscribed share capital		
226,882,736 (March 31, 2019: 226,930,736) equity shares of Rs. 10/- each	226.88	226.93
Paid up (fully paid up)		
Equity shares		
226,882,736 (March 31, 2019: 226,882,736) equity shares of Rs. 10/- each fully paid up	226.88	226.88
	226.88	**226.88**
Nil [March 31, 2019: 48,000 equity shares of Rs.10/- each (Rs. 5/- each paid up forfeited)] *	-	0.02
Total Equity	**226.88**	**226.90**

* The shareholders in their 40th annual general meeting held on June 27, 2019 considered and approved the cancellation of the forfeited shares from the issued and subscribed share capital of the Company.

30 EQUITY SHARE CAPITAL (Contd.)

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2018	**226,882,736**	**226.88**
Issued during the year	-	-
As at March 31, 2019	**226,882,736**	**226.88**
Issued during the year	-	-
As at March 31, 2020	**226,882,736**	**226.88**

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2020, the total dividend per equity share proposed for distribution to equity shareholders is Rs. 5.00 (March 31, 2019 : Rs. 12.00). Out of the said total dividend proposed for the year ended March 31, 2020, amount of interim dividend paid during the year was Rs. 5.00 (March 31, 2019 : Rs. 5.00) per equity share and amount of final dividend proposed by the Board of Directors is Rs. Nil (March 31, 2019: Rs. 7.00) per equity share. The Board of Directors at its meeting held on October 24, 2019, had declared interim dividend of Rs. 5/- per equity share of Rs. 10/- each for the financial year 2019-2020. The payment was made on November 19, 2019. In order to conserve cash resources to face the challenges and the contingencies created by Corona virus pandemic, the Board of Directors have not recommended the final dividend. As such, the interim dividend shall be the final dividend for the financial year 2019-20.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Nil.

d. Details of shareholders holding more than 5% equity shares in the Company

Details of shareholding	As at March 31, 2020		As at March 31, 2019	
Name of the shareholder	**Number of shares**	**% holding**	**Number of shares**	**% holding**
Equity shares of Rs. 10/- each				
Shriram Capital Limited	59,504,947	26.23%	59,173,023	26.08%
Piramal Enterprises Limited	Nil	Nil	22,600,000	9.96%

e. Refer note 51- Capital management for the Company's objectives, policies and processes for managing capital

f. Proposed dividends on equity shares:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Proposed dividend on equity shares for the year ended on March 31, 2020: Rs. Nil per share (March 31, 2019: Rs. 7.00 per share)	-	158.82
Tax on proposed dividend	-	32.65
Total	**-**	**191.47**

(Rs. in crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
31	**OTHER EQUITY**		
	Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
	Opening Balance	**3,168.55**	**2,654.55**
	Add: Transfer from retained earnings	500.38	514.00
	Closing balance	**3,668.93**	**3,168.55**
	Securities premium account	**1,754.81**	**1,754.81**
	Capital reserve	27.62	27.62
	Add: Transfer from share forfeiture account	0.02	-
	Add: On account of sale of subsidiary	-	-
	Closing balance	**27.64**	**27.62**
	Capital redemption Reserve	**53.88**	**53.88**
	Debenture redemption Reserve		
	Opening Balance	**374.62**	**216.59**
	Add: Transfer from retained earnings	345.26	251.47
	Less: Transfer to retained earnings on account of redemption	(109.47)	-
	Less: Transfer to general reserve on account of redemption	-	(93.44)
	Closing balance	**610.41**	**374.62**
	General reserve		
	Opening Balance	**2,164.35**	**1,813.91**
	Add: Transfer from retained earnings	250.19	257.00
	Add: Transfer from debenture redemption reserve	-	93.44
	Closing balance	**2,414.54**	**2,164.35**
	Other comprehensive income		
	Opening balance	**(4.83)**	**(2.41)**
	Add: Other comprehensive income / (loss) for the year (net of tax)	(4.74)	(2.32)
	Add: Share of other comprehensive income from associates (net of tax)	0.25	(0.10)
	Closing balance	**(9.32)**	**(4.83)**
	Retained earnings		
	Opening balance	**8,196.85**	**6,944.52**
	Add: Profit for the current year	2,512.27	2,575.68
	Add / Less: Appropriations		
	Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(500.38)	(514.00)
	Transfer to general reserve	-	(257.00)
	Transfer to/from debenture redemption reserve	(235.79)	(251.47)
	Interim dividend	(113.44)	(113.44)
	Tax on interim dividend	(23.32)	(23.32)
	Final dividend	(158.82)	(136.14)
	Tax on final dividend	(32.64)	(27.98)
	Total appropriations	**(1,314.58)**	**(1,323.35)**
	Retained earnings	**9,394.54**	**8,196.85**
	Total	**17,915.43**	**15,735.85**

Nature and purpose of reserves

Securities premium account: The amount received in excess of face value of the equity shares is recognised in Securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

31 OTHER EQUITY (Contd.)

Capital redemption reserve: The Company has recognised Capital redemption reserve on redemption of non-convertible redeemable preference shares from its retained earnings. The amount in Capital redemption reserve is equal to nominal amount of the non-convertible redeemable preference shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve.

Debenture redemption reserve:

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture redemption reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the Balance sheet date.

(2) As per the notification G.S.R. 574(E) dated August 16, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR need not be created for debentures issued by a Non-Banking Finance Company subsequent to the notification date. The Company has not created DRR on public issue of non-convertible debentures issued after the date of said notification.

(3) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 345.26 crores (March 31, 2019: Rs. 251.47 crores). The Company subsequent to the year end has deposited a sum of Rs. 15.84 crores (March 31, 2019: Rs. 70.00 crores) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

(4) On redemption of the debentures for which the DRR is created, the amounts no longer necessary to be retained in this account need to be transferred to the Retained earnings.

General reserve: Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory reserve: Every year the Company transfers a of sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial Company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

(Rs. in crores)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
32 INTEREST INCOME						
Interest on loans	15,690.72	-	**15,690.72**	14,945.10	-	**14,945.10**
Interest income from investments	214.53	1.00	**215.53**	182.27	0.98	**183.25**
Interest on deposits with banks						
- Margin money deposit	208.75	-	**208.75**	159.78	-	**159.78**
- Deposits with banks	66.95	-	**66.95**	4.08	-	**4.08**
Other interest income						
- delayed payments by customers	60.52	-	**60.52**	33.88	-	**33.88**
- unwinding of security deposit	3.05	-	**3.05**	0.46	-	**0.46**
- direct assignment	21.94	-	**21.94**	9.14	-	**9.14**
Total	**16,266.46**	**1.00**	**16,267.46**	**15,334.71**	**0.98**	**15,335.69**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
33 FEE AND COMMISSION INCOME		
Income from loan related services	73.53	55.30
Income from commission services- life insurance	20.39	23.67
Income from commission services- general insurance	63.58	40.80
Income from commission services- others	37.47	6.83
Total	**194.97**	**126.60**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to statement of profit and loss

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Type of services or service		
Fee and commission income	194.97	126.60
Total revenue from contract with customers	**194.97**	**126.60**
Geographical markets		
India	194.97	126.60
Outside India	-	-
Total revenue from contract with customers	**194.97**	**126.60**
Timing of revenue recognition		
Services transferred at a point in time	194.97	126.60
Services transferred over time	-	-
Total revenue from contracts with customers	**194.97**	**126.60**

33 FEE AND COMMISSION INCOME (Contd.)

Contract balance

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	10.50	8.48
Contract assets	-	-

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
34 NET GAIN/ (LOSS) ON FAIR VALUE CHANGES		
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others:		
- Investment in shares, venture capital fund and mutual funds	(0.87)	0.52
- Derivatives	(5.88)	(3.10)
Total Net gain/(loss) on fair value changes (C)	**(6.75)**	**(2.58)**
Fair value changes:		
- Realised	-	-
- Unrealised	(6.75)	(2.58)
Total Net gain/(loss) on fair value changes(D)	**(6.75)**	**(2.58)**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
35 OTHER OPERATING INCOME		
Bad debt recovery	80.73	24.17
Short term capital gain on sale of mutual funds and certificate of deposits	18.79	37.48
Total	**99.52**	**61.65**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
36 OTHER INCOME		
Interest on income tax refund	5.80	6.66
Profit on sale of assets	1.17	-
Miscellaneous income	13.30	20.85
Total	**20.27**	**27.51**

(Rs. in crores)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
37	**FINANCE COSTS**		
	On financial liabilities measured at amortised cost		
	Interest on deposits	973.80	841.66
	Interest on borrowings (other than debt securities)		
	- Loans from banks	1,251.44	1,392.08
	- Loans from institutions and others	217.98	298.06
	- External commercial borrowings	461.83	151.45
	- Interest paid on securitisation	1,743.54	1,320.14
	Interest on debt securities		
	- Debentures	1,950.39	2,257.32
	- Senior secured notes	214.37	227.55
	- External commercial bond	656.82	27.91
	- Commercial paper	104.50	445.20
	Interest on subordinated liabilities	661.86	549.89
	Other interest expense		
	- Interest on lease liability	33.73	-
	Total	**8,270.26**	**7,511.26**

(Rs. in crores)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
38	**FEE AND COMMISSION EXPENSE**		
	Brokerage	9.23	14.78
	Professional charges-resource mobilisation	29.29	24.25
	Processing charges on loans	1.89	2.20
	Professional charges on securitisation	16.47	20.96
	Total	**56.88**	**62.19**

(Rs. in crores)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
39	**IMPAIRMENT OF FINANCIAL INSTRUMENTS**		
	On financial instruments measured at amortised cost		
	Loans (refer note 62)	2,748.87	2,450.51
	Investments	42.22	(0.06)
	Others		
	Undrawn commitments	4.39	6.71
	Other assets	(0.60)	(74.90)
	Total	**2,794.88**	**2,382.26**

39 IMPAIRMENT OF FINANCIAL INSTRUMENTS (Contd.)

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

Year ended March 31, 2020

(Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
39 IMPAIRMENT OF FINANCIAL INSTRUMENTS					
Loans and advances to customers	1,088.82	(20.86)	1,680.91	-	**2,748.87**
Debt instruments measured at amortised cost	23.78	18.44	-	-	**42.22**
Undrawn commitments	4.39	-	-	-	**4.39**
Others	-	-	-	(0.60)	**(0.60)**
Total impairment loss	**1,116.99**	**(2.42)**	**1,680.91**	**(0.60)**	**2,794.88**

Year ended March 31, 2019

(Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
Loans and advances to customers	478.90	381.55	1,590.06	-	**2,450.51**
Debt instruments measured at amortised cost	-	-	-	(0.06)	**(0.06)**
Undrawn commitments	6.71	-	-	-	**6.71**
Others	-	-	-	(74.90)	**(74.90)**
Total impairment loss	**485.61**	**381.55**	**1,590.06**	**(74.96)**	**2,382.26**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
40 EMPLOYEE BENEFITS EXPENSES		
Salaries, other allowance and bonus	926.57	814.24
Contribution to provident and other funds	53.72	46.37
Staff welfare expenses	24.99	17.88
Gratuity expenses	5.54	4.57
Total	**1,010.82**	**883.06**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
41 DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Depreciation of tangible assets	48.62	41.94
Amortisation of intangible assets	1.26	1.03
Lease depreciation	91.17	-
Total	**141.05**	**42.97**

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
42 OTHER EXPENSES		
Rent	9.88	105.50
Rates and taxes	2.56	11.55
Energy costs	21.08	18.29
Repairs and maintenance	56.76	45.79
Communication costs	49.17	49.05
Printing and stationery	19.33	13.62
Advertisement and publicity	14.27	15.70
Director's fees, allowances, and expenses	0.66	0.65
Auditor fees and expenses		
As Auditor:		
- Audit fees	0.88	0.84
- Tax audit fees	0.09	0.09
- Out of pocket	0.04	0.06
In any other manner:		
- Certification	0.08	0.04
Legal and professional charges	58.18	45.82
Other expenditure:		
Travelling and conveyance	123.22	127.54
Business promotion	47.71	43.72
Outsourcing expenses	75.99	42.17
Royalty	180.75	169.45
Insurance	1.38	2.36
Bank charges	43.18	52.54
Loss on sale of investments	0.12	-
Loss on sale of fixed assets (net)	-	0.51
Service charges	45.67	43.49
CSR expenses [Refer note 60]	53.16	40.06
Miscellaneous expenses	59.16	65.23
Total	**863.32**	**894.07**

43 INCOME TAX

The components of income tax expense for the year ended March 31, 2020 and March 31, 2019 and are:

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	921.20	1,346.37
Adjustment in respect of current income tax of prior years	0.84	(109.82)
Deferred tax relating to origination and reversal of temporary differences	14.79	(22.27)
Total tax charge	**936.83**	**1,214.28**
Current tax	922.04	1,236.55
Deferred tax	14.79	(22.27)

43 INCOME TAX (Contd.)

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. During the year, the Company has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company had recognised and remeasured Provision for Income Tax and Deferred Tax based on the rate prescribed in the said section. Accordingly, total benefit derived by the Company on adoption of new tax rate is Rs. 357.44 crores in current tax and reversal of Rs. 21.18 crores in deferred tax asset for the year ended March 31, 2020.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2020 and March 31, 2019 is, as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax	3,438.67	3,778.27
At India's statutory income tax rate of 25.168% (2019: 34.944%)	865.44	1,320.28
Adjustment in respect of current income tax of prior years	0.84	(109.82)
Income subject to tax at special rate		
Long term capital gain on sale of property	(0.07)	-
Income not subject to tax		
Others	-	(11.51)
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	13.38	0.55
Deduction under chapter VIA of the Income Tax Act, 1961 (section 80G)	-	6.37
Reversal of deferred tax no longer required	26.25	-
Reversal of deferred tax asset on account of adoption of new Income Tax rate	21.18	-
Others	9.81	8.41
Income tax expense reported in the statement of profit and loss	**936.83**	**1,214.28**

The effective income tax rate for March 31, 2020 is 27.24% (March 31, 2019: 32.14%).

Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	19.45	-	(2.65)	-
Provision for post retirement benefits	9.42	-	(0.56)	(1.59)
Expenses allowable for tax purposes when paid	25.45	-	-	-
Reversal of deferred tax no longer required	-	-	26.25	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	14.21	(13.10)	-
Impairment allowance for undrawn commitments	10.05	-	(7.09)	-
Fair valuation of derivative financial instrument	-	1.48	-	-
Right-of-use assets	8.80	-	(4.78)	-
Reversal of deferred tax asset on account of adoption of new Income Tax rate	-	-	21.18	-
Other temporary differences	5.02	-	(4.45)	-
Total	**78.19**	**15.69**	**14.79**	**(1.59)**

43 INCOME TAX (Contd.)

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement	OCI
	As at March 31, 2019	As at March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	23.52	-	(3.05)	-
Provision for post retirement benefits	10.05	-	(0.75)	(1.24)
Expenses allowable for tax purposes when paid	35.34	-	1.25	-
EIR impact on debt instrument in the nature of advances measured at amortised cost	36.44	-	24.68	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	37.91	(37.49)	-
Impairment allowance for undrawn commitments	4.11	-	(2.35)	-
Fair valuation of derivative financial instrument	-	2.06	(1.08)	-
Other temporary differences	6.23	0.02	(3.48)	-
Total	**115.69**	**39.99**	**(22.27)**	**(1.24)**

Amounts recognised in respect of current tax / deferred tax directly in equity:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-

Tax losses

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Unused tax losses for which no deferred tax asset has been recognised	-	-

44 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit after tax as per Statement of Profit and Loss (Rs. in crores) (A)	2,512.27	2,575.68
Weighted average number of equity shares for calculating basic EPS (in crores) (B)	22.69	22.69
Weighted average number of equity shares for calculating diluted EPS (in crores) (C)	22.69	22.69
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (B)	110.73	113.52
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (C)	110.73	113.52

45 INVESTMENT IN ASSOCIATES AND STRUCTURED ENTITIES

Associate of the Company is:

Name of the associate	Country of incorporation	Principal place of business	Principal activities	% equity interest March 31, 2020	% equity interest March 31, 2019
Shriram Automall India Limited (SAMIL)	India	New Delhi	Market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.	44.56%	44.56%

The Company has recognised its investment in associate under equity method and not adjusted to fair value at the end of each reporting period.

The Company's share in the associate is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) share in profit or loss from continuing operations.	10.43	11.69
(b) share in post-tax profit or loss from discontinued operations.	-	-
(c) share in other comprehensive income.	0.25	(0.10)
(d) share in total comprehensive income.	10.68	11.59

46 RETIREMENT BENEFIT PLAN

a) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 41.06 crores (March 31, 2019: Rs. 31.96 crores) for Provident fund contributions and Rs. 12.54 crores (March 31, 2019: Rs. 14.30 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The trust is in process of investing entire funds in government securities through third party fund managers and as on March 31, 2020, 82 % funds are invested in government securities and balance 18% funds are invested in other equity and debt instruments. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

46 RETIREMENT BENEFIT PLAN (Contd.)

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows :

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current service cost	5.45	4.72
Interest expense	3.78	3.22
Interest Income	(3.68)	(3.37)
Past service cost	-	-
Components of defined benefit costs recognised in profit or loss (A)	**5.55**	**4.57**
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(1.18)	0.74
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	4.80	0.56
Experience adjustments	2.71	2.26
Components of defined benefit costs recognised in other comprehensive income (B)	**6.33**	**3.56**
Total (A+B)	**11.88**	**8.13**

Movement in the present value of the defined benefit obligation are as follows :

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	49.43	41.30
Expenses recognised in statement of profit and loss :		
Current service cost	5.45	4.72
Interest expense/(income)	3.78	3.22
Recognised in other comprehensive income remeasurement gains/(losses)	7.51	2.83
Past service cost	-	-
Liability transferred in/acquisitions	-	0.09
Benefits paid from the fund	(2.92)	(2.73)
Present value of defined obligation at the end of the year	**63.25**	**49.43**

Change in the Fair value of plan assets :

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at the beginning of the year	48.15	43.23
Interest income	3.68	3.37
Contributions by the employer	9.79	5.02
Benefits paid from the fund	(2.92)	(2.73)
Return on plan assets excluding interest income	1.18	(0.74)
Fair value of plan assets at the end of the year	**59.88**	**48.15**

46 RETIREMENT BENEFIT PLAN (Contd.)

Calculation of benefit liability/(asset) :

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	63.25	49.43
Fair value of plan assets	59.88	48.15
Benefit liability	**3.37**	**1.28**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2020	As at March 31, 2019
Expected return on plan assets	6.56%	7.64%
Rate of discounting	6.56%	7.64%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 20.00% p.a. and for service 5 years and above 7.50% p.a.	For service 4 years and below 20.00% p.a. and for service 5 years and above 7.50% p.a.
Mortality rate during employment	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

Investments quoted in active markets:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Investment funds	59.88	48.15
Total	**59.88**	**48.15**

(Rs. in crores)

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2020	Impact on defined benefit obligation March 31, 2019
Discount rate	1% increase	(4.47)	(3.32)
	1% decrease	5.14	3.81
Future salary increases	1% increase	5.10	3.81
	1% decrease	(4.51)	(3.37)
Attrition rate	1% increase	0.49	0.72
	1% decrease	(0.57)	(0.82)

46 RETIREMENT BENEFIT PLAN (Contd.)

(Rs. in crores)

Expected payment for future years	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting period)	6.35	4.99
Between 2 and 5 years	21.74	18.42
Between 5 and 10 years	25.62	21.52
Beyond 10 years	64.26	56.02
Total expected payments	**117.97**	**100.95**

The Company expects to contribute Rs. 10.09 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2020 is 9 years (March 31, 2019: 9 years)

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

c) **Compensated Absences**

The principal assumptions used in determining obligations for the Company are shown below:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Rate of discounting	6.56%	7.64%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	20.00%	20.00%
Service 5 years and above	7.50%	7.50%
Mortality	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Expenses recognised in statement of profit and loss	17.94	14.52

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2020.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in crores)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,088.99	-	**3,088.99**	1,029.14	-	**1,029.14**
Bank balance other than above	4,204.15	21.78	**4,225.93**	2,233.05	719.28	**2,952.33**
Derivative financial instruments	758.73	-	**758.73**	21.72	-	**21.72**
Receivables						
(I) Trade receivables	10.50	-	**10.50**	8.48	-	**8.48**
(II) Other receivables	5.64	-	**5.64**	19.94	-	**19.94**
Loans	28,287.31	73,944.32	**102,231.63**	36,655.28	60,096.21	**96,751.49**
Investments	361.47	2,574.16	**2,935.63**	2,011.10	2,114.44	**4,125.54**
Other financial assets	-	45.15	**45.15**	-	36.88	**36.88**
Non-financial Assets						
Current tax asset	-	249.10	**249.10**	-	106.58	**106.58**
Deferred tax assets (net)	-	62.50	**62.50**	-	75.70	**75.70**
Investment property	-	2.03	**2.03**	-	2.06	**2.06**
Property, plant and equipment	-	149.88	**149.88**	-	143.46	**143.46**
Right-of-use assets	-	327.84	**327.84**	-	-	**-**
Other intangible assets	-	2.67	**2.67**	-	1.97	**1.97**
Other non-financial assets	44.10	125.47	**169.57**	62.00	81.66	**143.66**
Total assets	**36,760.89**	**77,504.90**	**114,265.79**	**42,040.71**	**63,378.24**	**105,418.95**
Liabilities						
Financial Liabilities						
Derivative financial liabilities	-	-	**-**	83.42	-	**83.42**
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.40	-	**0.40**	-	-	**-**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	143.44	-	**143.44**	133.46	-	**133.46**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**	-	-	**-**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.13	-	**1.13**	2.72	-	**2.72**
Debt securities	6,484.83	27,782.13	**34,266.96**	13,044.83	21,136.93	**34,181.76**
Borrowings (other than debt securities)	16,550.38	25,924.22	**42,474.60**	17,820.26	19,369.04	**37,189.30**
Deposits	2,857.28	9,102.84	**11,960.12**	2,479.79	7,861.67	**10,341.46**
Subordinated liabilities	1,114.07	4,556.00	**5,670.07**	670.20	5,531.68	**6,201.88**
Other financial liabilities	787.82	124.50	**912.32**	1,001.43	15.05	**1,016.48**
Lease liabilities	80.97	281.84	**362.81**	-	-	**-**
Non-financial Liabilities						
Current tax liabilities (net)	102.02	-	**102.02**	102.97	-	**102.97**
Provisions	112.27	34.06	**146.33**	107.57	25.69	**133.26**
Other non-financial liabilities	83.28	-	**83.28**	-	69.49	**69.49**
Total Liabilities	**28,317.89**	**67,805.59**	**96,123.48**	**35,446.65**	**54,009.55**	**89,456.20**
Net	**8,443.00**	**9,699.31**	**18,142.31**	**6,594.06**	**9,368.69**	**15,962.75**

48 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Rs. in crores)

Particulars	As at March 31, 2019	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2020
Debt securities	34,181.76	(831.77)	-	-	916.97	34,266.96
Borrowings (other than debt securities)	37,189.30	5,139.66	-	-	145.64	42,474.60
Deposits	10,341.46	1,619.31	-	-	(0.65)	11,960.12
Subordinated liabilities	6,201.88	(573.50)	-	-	41.69	5,670.07
Lease liabilities	-	110.46	-	-	252.35	362.81
Total liabilities from financing activities	**87,914.40**	**5,464.16**	**-**	**-**	**1,356.00**	**94,734.56**

(Rs. in crores)

Particulars	As at March 31, 2018	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2019
Debt securities	32,432.62	1,984.43	-	-	(235.29)	34,181.76
Borrowings (other than debt securities)	36,108.54	402.56	-	-	678.20	37,189.30
Deposits	8,597.75	1,733.21	-	-	10.50	10,341.46
Subordinated liabilities	4,991.94	1,431.63	-	-	(221.69)	6,201.88
Total liabilities from financing activities	**82,130.85**	**5,551.83**	**-**	**-**	**231.72**	**87,914.40**

49 CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS

(A) Contingent liabilities

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
a. In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	133.80	78.79
b. VAT demand where the Company and its associate have filed appeal before various appellates	117.54	125.16
c. Service tax demands where the Company and its associate have filed appeal before various authorities	326.21	198.53
d. Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	-
Total	**582.55**	**402.48**

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Company and its associate to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Company and its associate do not expect any reimbursement in respect of the above contingent liabilities. The Company and its associate are of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the financial position and results of operations of the Company and its associate.

Disputed income tax demands are on account of royalty, disallowance of ESOP expenses, 14A, derivatives etc.

49 CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS (Contd.)

(B) Commitments not provided for

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	4.15	5.78
b. Commitments related to loans sanctioned but undrawn	311.87	471.92

(C) Lease arrangements

As a lessee

Lease :

Future minimum lease payments under non-cancellable leases as at March 31, 2019 are as follows:

(Rs. in crores)

Particulars	As at March 31, 2019
Within one year	30.95
After one year but not more than five years	95.17
More than five years	29.99
Total	**156.11**

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to the lease contracts existing on April 01, 2019 using the modified retrospective approach, recognising right-of-use assets and adjusted lease liability. As per Ind AS 116, lease commitments are recognised as lease liability and need not be disclosed under contingent liabilities and commitments.

50 RELATED PARTY DISCLOSURES

Relationship		Name of the party
I	Promoter	: Shriram Capital Limited
II	Promoter group	: Shriram Ownership Trust Shriram Financial Ventures (Chennai) Private Limited Shriram Value Services Limited Novac Technology Solutions (P) Limited Shriram Fortune Solutions Limited Shriram General Insurance Company Limited Shriram Insight Share Brokers Limited Shriram Life Insurance Company Limited Shriram Asset Management Company Limited Shriram Financial Products Solutions (Chennai) Private Limited Insight Commodities and Futures Private Limited Shriram Credit Company Limited Shriram Overseas Investments Private Limited Shriram Wealth Advisors Limited Bharath Investments Pte. Ltd., Singapore SGI Philippines General Insurance Co. Inc. Novac Digital Service Private Limited (from May 20, 2019)
III	Associates	: Shriram Automall India Limited (SAMIL) Cartradeexchange Solutions Private Limited Adroit Inspection Service Private Limited Augeo Asset Management Private Limited (w.e.f. January 08, 2020)
IV	Key Management Personnel	: Mr. Umesh Revankar, Managing Director & CEO Mr. Amitabh Chaudhry (upto October 25, 2018) Mr. S. Lakshminarayanan Mrs. Kishori Udeshi Mr. S. Sridhar Mr. Sumatiprasad M Bafna (upto March 31, 2019) Mr. Pradeep Kumar Panja (from October 25, 2018) Mr. D. V. Ravi Mr. Puneet Bhatia Mr. Ignatius Michael Viljoen (from May 14, 2019) Mr. Gerrit Lodewyk Van Heerde (upto May 08, 2019)
V	Relatives of Key Management Personnel	: Mrs. Suchita U. Revankar (spouse of Managing Director & CEO) Mr. Shreyas U. Revankar (son of Managing Director & CEO) Mrs. Geeta G. Revankar (mother of Managing Director & CEO) Mr. Anil G. Revankar (brother of Managing Director & CEO) Mr. Shirish U. Revankar (son of Managing Director & CEO)
VI	Employees' benefit plan	Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme

50 RELATED PARTY DISCLOSURES (Contd.)

Summary of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Payments/Expenses														
Payment to key management personnel	-	-	-	-	-	-	-	-	1.76	1.26	-	-	**1.76**	**1.26**
Royalty	-	-	169.69	155.46	-	-	-	-	-	-	-	-	**169.69**	**155.46**
Service charges	41.90	39.90	-	-	-	-	-	-	-	-	-	-	**41.90**	**39.90**
I.T & BPO charges	-	-	68.88	38.00	-	-	-	-	-	-	-	-	**68.88**	**38.00**
Rent	0.78	-	0.02	0.02	7.04	4.44	-	-	-	-	-	-	**7.84**	**4.46**
Business mobilisation expenses	-	-	-	-	0.04	1.47	-	-	-	-	-	-	**0.04**	**1.47**
Other administrative expenses	0.04	-	-	-	11.11	0.82	-	-	-	-	-	-	**11.15**	**0.82**
Insurance premium	-	-	8.91	7.60	-	-	-	-	-	-	-	-	**8.91**	**7.60**
Commission	-	-	34.97	41.74	-	-	-	-	-	-	-	-	**34.97**	**41.74**
Sales promotion	-	-	1.92	1.61	-	-	-	-	-	-	-	-	**1.92**	**1.61**
Valuation charges	-	-	-	-	0.09	-	-	-	-	-	-	-	**0.09**	**-**
Interest	0.26	0.38	53.74	52.66	2.97	2.36	-	-	0.33	0.17	0.01	0.01	**57.32**	**55.59**
Equity dividend	71.17	65.09	-	-	-	-	-	-	-	-	0.00	0.00	**71.17**	**65.09**
Non-convertible debenture matured	-	-	80.11	1.60	-	-	-	-	-	-	-	0.01	**80.11**	**1.61**
Fixed deposit matured	-	-	14.00	-	-	-	-	-	-	-	0.01	0.03	**14.01**	**0.03**
Subordinated debt matured	1.72	0.54	45.00	7.07	1.39	1.15	-	-	-	-	-	0.01	**48.11**	**8.77**
Unsecured loan and advances	-	-	-	-	-	7.86	-	-	-	-	-	-	**-**	**7.86**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.79	5.01	-	-	-	-	**9.79**	**5.01**
Inter corporate deposit repaid	74.00	-	-	-	51.50	28.35	-	-	-	-	-	-	**125.50**	**28.35**
Receipts/Income														
Common sharing expenses	0.01	0.01	1.17	1.16	0.65	0.52	-	-	-	-	-	-	**1.83**	**1.70**
Rent & electricity	0.15	0.18	-	-	4.64	4.14	-	-	-	-	-	-	**4.79**	**4.32**
Other administrative expenses	-	-	-	-	0.14	2.55	-	-	-	-	-	-	**0.14**	**2.55**
Commission	-	-	79.11	61.08	-	-	-	-	-	-	-	-	**79.11**	**61.08**
Sale of Trade mark - Shriram Automall India Limited	-	-	-	-	-	0.06	-	-	-	-	-	-	**-**	**0.06**
Subordinated debt	-	-	-	25.00	-	-	-	-	-	-	-	-	**-**	**25.00**
Non-convertible debenture	-	-	2.86	11.74	-	-	-	-	0.10	2.00	-	-	**2.96**	**13.74**
Fixed deposit	-	-	1.50	14.00	-	-	-	-	-	0.50	0.05	0.03	**1.55**	**14.53**
Unsecured loan and advances repaid	-	-	-	-	14.44	7.41	-	-	-	-	-	-	**14.44**	**7.41**
Inter corporate deposit received	74.00	-	-	-	63.40	25.95	-	-	-	-	-	-	**137.40**	**25.95**
Balance outstanding at the year end														
Share capital	59.55	59.17	-	-	-	-	-	-	-	-	0.00	0.00	**59.56**	**59.17**
Investment in equity shares	-	-	-	-	150.52	139.84	-	-	-	-	-	-	**150.52**	**139.84**
Unsecured loan and advances receivable	-	-	-	-	-	0.58	-	-	-	-	-	-	**-**	**0.58**
Unsecured loan and advances payable	-	-	-	-	0.41	-	-	-	-	-	-	-	**0.41**	**-**
Rent receivable	-	0.01	-	0.02	-	-	-	-	-	-	-	-	**-**	**0.03**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Commission receivable	-	-	9.56	7.65	-	-	-	-	-	-	-	-	**9.56**	**7.65**
Commission payable	-	-	-	2.62	-	-	-	-	-	-	-	-	**-**	**2.62**
Prepaid for insurance premium	-	-	2.84	2.15	-	-	-	-	-	-	-	-	**2.84**	**2.15**
Outstanding expenses	10.43	10.78	44.13	43.01	-	-	-	-	-	-	-	-	**54.55**	**53.78**
Fixed deposit	-	-	1.55	14.99	-	-	-	-	1.45	1.34	0.13	0.08	**3.13**	**16.41**
Subordinated debt	0.41	3.14	422.19	470.39	2.76	2.79	-	-	-	-	-	-	**425.37**	**476.32**
Non-convertible debenture	-	-	15.12	95.01	22.77	-	-	-	2.61	2.30	-	-	**40.50**	**97.30**
Expenses recoverable	-	0.00	-	0.21	-	-	-	-	-	-	-	-	**-**	**0.21**
Inter corporate deposit	-	-	-	-	39.42	26.38	-	-	-	-	-	-	**39.42**	**26.38**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Payments/Expenses														
Employee benefits for key management personnel														
- Short term benefits	-	-	-	-	-	-	-	-	0.97	0.53	-	-	**0.97**	**0.53**
- Post employment benefits	-	-	-	-	-	-	-	-	0.19	0.14	-	-	**0.19**	**0.14**
Commission & sitting fee paid to directors														
- Mr. Amitabh Chaudhry	-	-	-	-	-	-	-	-	0.04	0.10	-	-	**0.04**	**0.10**
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	0.12	0.12	-	-	**0.12**	**0.12**
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.14	0.12	-	-	**0.14**	**0.12**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.10	0.12	-	-	**0.10**	**0.12**
- Mr. Sumatiprasad M. Bafna	-	-	-	-	-	-	-	-	0.09	0.11	-	-	**0.09**	**0.11**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.11	0.02	-	-	**0.11**	**0.02**
License Fees														
- Shriram Ownership Trust	-	-	82.81	155.46	-	-	-	-	-	-	-	-	**82.81**	**155.46**
- Shriram Value Services Limited	-	-	86.87	-	-	-	-	-	-	-	-	-	**86.87**	**-**
Service charges to Shriram Capital Limited	41.90	39.90	-	-	-	-	-	-	-	-	-	-	**41.90**	**39.90**
Voice Call services														
- Shriram Value Services Limited	-	-	21.26	38.00	-	-	-	-	-	-	-	-	**21.26**	**38.00**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Novac Technology Solutions (P) Ltd.	-	-	7.43	-	-	-	-	-	-	-	-	-	**7.43**	-
I.T & BPO charges to Novac Technology Solutions (P) Ltd.	-	-	40.18	-	-	-	-	-	-	-	-	-	**40.18**	-
Rent														
- Shriram Automall India Limited	-	-	-	-	7.04	4.44	-	-	-	-	-	-	**7.04**	**4.44**
- Shriram Capital Limited	0.78	-	-	-	-	-	-	-	-	-	-	-	**0.78**	-
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	**0.02**	**0.02**
Business mobilisation expenses - Shriram Automall India Limited	-	-	-	-	0.04	1.47	-	-	-	-	-	-	**0.04**	**1.47**
Other administrative expenses														
- Shriram Capital Limited	0.04	-	-	-	-	-	-	-	-	-	-	-	**0.04**	-
- Shriram Automall India Limited	-	-	-	-	11.11	0.82	-	-	-	-	-	-	**11.11**	**0.82**
Insurance premium														
- Shriram Life Insurance Company Limited	-	-	5.63	5.30	-	-	-	-	-	-	-	-	**5.63**	**5.30**
- Shriram General Insurance Company Limited	-	-	3.28	2.30	-	-	-	-	-	-	-	-	**3.28**	**2.30**
Commission														
- Shriram Fortune Solutions Limited	-	-	26.03	33.92	-	-	-	-	-	-	-	-	**26.03**	**33.92**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	3.31	2.29	-	-	-	-	-	-	-	-	**3.31**	**2.29**
- Shriram Insight Share Brokers Limited	-	-	5.63	5.53	-	-	-	-	-	-	-	-	**5.63**	**5.53**
Sales promotion														
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	0.75	0.45	-	-	-	-	-	-	-	-	**0.75**	**0.45**
- Shriram Insight Share Brokers Limited	-	-	1.17	1.16	-	-	-	-	-	-	-	-	**1.17**	**1.16**
Interest on Inter corporate Deposit														
- Shriram Automall India Limited	-	-	-	-	2.34	1.99	-	-	-	-	-	-	**2.34**	**1.99**
- Shriram Capital Limited	0.17	-	-	-	-	-	-	-	-	-	-	-	**0.17**	-
Valuation charges paid to - Adroit Inspection Service Private Limited	-	-	-	-	0.09	-	-	-	-	-	-	-	**0.09**	-
Interest on fixed deposit														
- Key management personnel	-	-	-	-	-	-	-	-	0.11	0.09	-	-	**0.11**	**0.09**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.01	0.01	**0.01**	**0.01**
- Shriram Fortune Solutions Limited	-	-	0.38	0.99	-	-	-	-	-	-	-	-	**0.38**	**0.99**
- Shriram Asset management Company Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**	-

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Interest on subordinated debt														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.00	-	**0.00**
- Shriram Automall India Limited	-	-	-	-	0.44	0.37	-	-	-	-	-	-	**0.44**	**0.37**
- Shriram Capital Limited	0.09	0.38	-	-	-	-	-	-	-	-	-	-	**0.09**	**0.38**
- Shriram Asset Management Company Limited	-	-	-	0.70	-	-	-	-	-	-	-	-	-	**0.70**
- Shriram Life Insurance Company Limited	-	-	9.53	7.69	-	-	-	-	-	-	-	-	**9.53**	**7.69**
- Shriram General Insurance Company Limited	-	-	37.17	34.76	-	-	-	-	-	-	-	-	**37.17**	**34.76**
Interest on non-convertible debenture														
- Key management personnel														
- Mr.Umesh Revankar	-	-	-	-	-	-	-	-	0.20	0.08	-	-	**0.20**	**0.08**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.01	0.00	-	-	**0.01**	**0.00**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.02	0.00	-	-	**0.02**	**0.00**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.00	-	**0.00**
- Shriram Life Insurance Company Limited	-	-	4.18	5.85	-	-	-	-	-	-	-	-	**4.18**	**5.85**
- Shriram General Insurance Company Limited	-	-	1.32	2.21	-	-	-	-	-	-	-	-	**1.32**	**2.21**
- Shriram Asset Management Company Limited	-	-	1.10	0.46	-	-	-	-	-	-	-	-	**1.10**	**0.46**
- Shriram Insight Share Brokers Limited	-	-	0.00	0.00	-	-	-	-	-	-	-	-	**0.00**	**0.00**
- Shriram Automall India Limited	-	-	-	-	0.19	-	-	-	-	-	-	-	**0.19**	-
Equity dividend														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Shriram Capital Limited	71.17	65.09	-	-	-	-	-	-	-	-	-	-	**71.17**	**65.09**
Non-convertible debenture matured														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.01	-	**0.01**
- Shriram Life Insurance Company Limited	-	-	58.90	1.60	-	-	-	-	-	-	-	-	**58.90**	**1.60**
- Shriram General Insurance Company Limited	-	-	21.10	-	-	-	-	-	-	-	-	-	**21.10**	-
- Shriram Insight Share Brokers Limited	-	-	0.11	-	-	-	-	-	-	-	-	-	**0.11**	-
Fixed deposit matured														

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.01	0.03	**0.01**	**0.03**
- Shriram Fortune Solutions Limited	-	-	14.00	-	-	-	-	-	-	-	-	-	**14.00**	-
Subordinated debt matured														
-Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.01	-	**0.01**
- Shriram Capital Limited	1.72	0.54	-	-	-	-	-	-	-	-	-	-	**1.72**	**0.54**
- Shriram Automall India Limited	-	-	-	-	1.39	1.15	-	-	-	-	-	-	**1.39**	**1.15**
- Shriram Asset Management Company Limited	-	-	-	7.07	-	-	-	-	-	-	-	-	-	**7.07**
- Shriram General Insurance Company Limited	-	-	45.00	-	-	-	-	-	-	-	-	-	**45.00**	-
Unsecured loan and advances received - Shriram Automall India Limited	-	-	-	-	-	7.86	-	-	-	-	-	-	-	**7.86**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.79	5.01	-	-	-	-	**9.79**	**5.01**
Inter corporate deposit repaid														
- Shriram Automall India Limited	-	-	-	-	51.50	28.35	-	-	-	-	-	-	**51.50**	**28.35**
- Shriram Capital Limited	74.00	-	-	-	-	-	-	-	-	-	-	-	**74.00**	-
TOTAL	**189.87**	**105.91**	**477.24**	**305.76**	**74.15**	**46.46**	**9.79**	**5.01**	**2.10**	**1.43**	**0.02**	**0.06**	**753.17**	**464.63**
Receipts/Income														
Recovery of common sharing expenses														
- Shriram Automall India Limited	-	-	-	-	0.58	0.52	-	-	-	-	-	-	**0.58**	**0.52**
- Shriram Capital Limited	0.01	0.01	-	-	-	-	-	-	-	-	-	-	**0.01**	**0.01**
- Shriram Asset Management Company Limited	-	-	0.06	0.06	-	-	-	-	-	-	-	-	**0.06**	**0.06**
- Shriram Insight Share Brokers Limited	-	-	0.03	0.03	-	-	-	-	-	-	-	-	**0.03**	**0.03**
- Shriram Fortune Solutions Limited	-	-	1.08	1.07	-	-	-	-	-	-	-	-	**1.08**	**1.07**
- Adroit Inspection Service Private Limited	-	-	-	-	0.07	0.00	-	-	-	-	-	-	**0.07**	**0.00**
Rent & electricity														
- Shriram Capital Limited	0.15	0.18	-	-	-	-	-	-	-	-	-	-	**0.15**	**0.18**
- Shriram Automall India Limited	-	-	-	-	4.64	4.14	-	-	-	-	-	-	**4.64**	**4.14**
Other administrative expenses														
- Shriram Automall India Limited	-	-	-	-	0.14	2.55	-	-	-	-	-	-	**0.14**	**2.55**
Commission														

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Shriram General Insurance Company Limited	-	-	58.71	37.41	-	-	-	-	-	-	-	-	**58.71**	**37.41**
- Shriram Life Insurance Company Limited	-	-	20.39	23.68	-	-	-	-	-	-	-	-	**20.39**	**23.68**
Sale of Trade mark - Shriram Automall India Limited	-	-	-	-	-	0.06	-	-	-	-	-	-	-	**0.06**
Subordinated debt														
- Shriram Life Insurance Company Limited	-	-	-	25.00	-	-	-	-	-	-	-	-	-	**25.00**
Non-convertible debenture														
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Umesh Revankar	-	-	-	-	-	-	-	-	-	2.00	-	-	-	**2.00**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**	-
- Shriram Asset Management Company Limited	-	-	2.16	11.73	-	-	-	-	-	-	-	-	**2.16**	**11.73**
- Shriram Insight Share Brokers Limited	-	-	0.70	0.00	-	-	-	-	-	-	-	-	**0.70**	**0.00**
Fixed deposit														
- Key management personnel	-	-	-	-	-	-	-	-	-	0.50	-	-	-	**0.50**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.05	0.03	**0.05**	**0.03**
- Shriram Fortune Solutions Limited	-	-	-	14.00	-	-	-	-	-	-	-	-	-	**14.00**
- Shriram Asset Management Company Limited	-	-	1.50	-	-	-	-	-	-	-	-	-	**1.50**	-
Unsecured loan and advances repaid by														
- Shriram Automall India Limited	-	-	-	-	14.44	7.41	-	-	-	-	-	-	**14.44**	**7.41**
Inter corporate deposit														
- Shriram Automall India Limited	-	-	-	-	63.40	25.95	-	-	-	-	-	-	**63.40**	**25.95**
- Shriram Capital Limited	74.00	-	-	-	-	-	-	-	-	-	-	-	**74.00**	-
TOTAL	**74.16**	**0.19**	**84.63**	**112.98**	**83.28**	**40.63**	**-**	**-**	**0.10**	**2.50**	**0.05**	**0.03**	**242.22**	**156.34**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

50 RELATED PARTY DISCLOSURES (Contd.)

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance outstanding at the year end														
Share capital														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Shriram Capital Limited	59.50	59.17	-	-	-	-	-	-	-	-	-	-	**59.50**	**59.17**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**	-
Investment in equity shares														
- Shriram Automall India Limited	-	-	-	-	150.52	139.84	-	-	-	-	-	-	**150.52**	**139.84**
Unsecured loan and advances receivable														
- Shriram Automall India Limited	-	-	-	-	-	0.58	-	-	-	-	-	-	-	**0.58**
Unsecured loan and advances payable														
- Shriram Automall India Limited	-	-	-	-	0.41	-	-	-	-	-	-	-	**0.41**	-
Rent receivable														
- Shriram Capital Limited	-	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**
- Shriram Asset Management Company Limited	-	-	-	0.02	-	-	-	-	-	-	-	-	-	**0.02**
Commission receivable														
- Shriram General Insurance Company Limited	-	-	7.65	5.26	-	-	-	-	-	-	-	-	**7.65**	**5.26**
- Shriram Life Insurance Company Limited	-	-	1.91	2.40	-	-	-	-	-	-	-	-	**1.91**	**2.40**
Commission payable														
- Shriram Fortune Solutions Limited	-	-	-	2.42	-	-	-	-	-	-	-	-	-	**2.42**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**
- Shriram Insight Share Brokers Limited	-	-	-	0.16	-	-	-	-	-	-	-	-	-	**0.16**
Prepaid for insurance premium														
- Shriram General Insurance Company Limited	-	-	1.78	1.13	-	-	-	-	-	-	-	-	**1.78**	**1.13**
- Shriram Life Insurance Company Limited	-	-	1.06	1.01	-	-	-	-	-	-	-	-	**1.06**	**1.01**
Outstanding expenses														
- Shriram Capital Limited	10.43	10.78	-	-	-	-	-	-	-	-	-	-	**10.43**	**10.78**
- Shriram Ownership Trust	-	-	-	41.83	-	-	-	-	-	-	-	-	-	**41.83**
- Shriram Value Services Limited	-	-	40.07	1.18	-	-	-	-	-	-	-	-	**40.07**	**1.18**
- Novac Technology Solutions (P) Limited	-	-	1.80	-	-	-	-	-	-	-	-	-	**1.80**	-
- Shriram Fortune Solutions Limited	-	-	1.27	-	-	-	-	-	-	-	-	-	**1.27**	-

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	0.31	-	-	-	-	-	-	-	-	-	**0.31**	-
- Shriram Insight Share Brokers Limited	-	-	0.65	-	-	-	-	-	-	-	-	-	**0.65**	-
- Shriram Asset Management Company Limited	-	-	0.02	-	-	-	-	-	-	-	-	-	**0.02**	-
Fixed deposit														
- Key management personnel	-	-	-	-	-	-	-	-	1.45	1.34	-	-	**1.45**	**1.34**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.13	0.08	**0.13**	**0.08**
- Shriram Fortune Solutions Limited	-	-	-	14.99	-	-	-	-	-	-	-	-	**-**	**14.99**
- Shriram Asset Management Company Limited	-	-	1.55	-	-	-	-	-	-	-	-	-	**1.55**	**-**
Non-convertible debenture														
- Key management personnel														
- Mr.Umesh Revankar	-	-	-	-	-	-	-	-	2.27	2.08	-	-	**2.27**	**2.08**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.12	0.11	-	-	**0.12**	**0.11**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.22	0.10	-	-	**0.22**	**0.10**
- Shriram Life Insurance Company Limited	-	-	-	61.14	-	-	-	-	-	-	-	-	**-**	**61.14**
- Shriram General Insurance Company Limited	-	-	-	21.67	-	-	-	-	-	-	-	-	**-**	**21.67**
- Shriram Asset Management Company Limited	-	-	14.49	12.19	-	-	-	-	-	-	-	-	**14.49**	**12.19**
- Shriram Insight Share Brokers Limited	-	-	0.63	0.00	-	-	-	-	-	-	-	-	**0.63**	**0.00**
- Shriram Automall India Limited	-	-	-	-	22.77	-	-	-	-	-	-	-	**22.77**	**-**
Subordinated debt														
- Shriram Automall India Limited	-	-	-	-	2.76	2.79	-	-	-	-	-	-	**2.76**	**2.79**
- Shriram Capital Limited	0.41	3.14	-	-	-	-	-	-	-	-	-	-	**0.41**	**3.14**
- Shriram Life Insurance Company Limited	-	-	103.15	103.14	-	-	-	-	-	-	-	-	**103.15**	**103.14**
- Shriram General Insurance Company Limited	-	-	319.04	367.25	-	-	-	-	-	-	-	-	**319.04**	**367.25**
Expenses recoverable														
- Shriram Capital Limited	-	0.00	-	-	-	-	-	-	-	-	-	-	**-**	**0.00**
- Shriram Insight Share Brokers Limited	-	-	-	0.00	-	-	-	-	-	-	-	-	**-**	**0.00**
- Shriram Fortune Solutions Limited	-	-	-	0.20	-	-	-	-	-	-	-	-	**-**	**0.20**
Inter corporate deposit received from Shriram Automall India Limited	-	-	-	-	39.42	26.38	-	-	-	-	-	-	**39.42**	**26.38**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

51 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. . However, they are under constant review by the Board.

52 FAIR VALUE MEASUREMENT

52.01 Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 6.1 (xiii).

52.02: Fair value hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2020

(Rs. in crores)

Assets measured at fair value on a recurring basis	**Level-1**	**Level-2**	**Level-3**	**Total**
Derivative financial instruments				
Forward contracts	-	378.05	-	**378.05**
Currency swaps	-	11.50	-	**11.50**
Interest rate swaps	-	45.77	-	**45.77**
Cross currency interest rate swaps	-	319.50	-	**319.50**
Interest rate caps	-	3.91	-	**3.91**
Total derivative financial instruments	**-**	**758.73**	**-**	**758.73**
Financial assets held for trading				
Mutual funds	-	3.02	-	**3.02**
Equity instruments	-	-	3.36	**3.36**
Venture capital fund	-	1.04	-	**1.04**
Total financial assets held for trading	**-**	**4.06**	**3.36**	**7.42**
Total assets measured at fair value on a recurring basis	**-**	**762.79**	**3.36**	**766.15**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	**-**	**-**	**-**	**-**
Total assets measured at fair value	**-**	**762.79**	**3.36**	**766.15**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

As at March 31, 2019

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	1.22	-	**1.22**
Currency swaps	-	18.67	-	**18.67**
Interest rate swaps	-	1.83	-	**1.83**
Total derivative financial instruments	**-**	**21.72**	**-**	**21.72**
Financial assets held for trading				
Mutual funds	-	323.82	-	**323.82**
Equity instruments	-	-	3.58	**3.58**
Certificate of deposits	-	1,231.71	-	**1,231.71**
Venture capital fund	-	0.97	-	**0.97**
Total financial assets held for trading	**-**	**1,556.50**	**3.58**	**1,560.08**
Total assets measured at fair value on a recurring basis	**-**	**1,578.22**	**3.58**	**1,581.80**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	**-**	**1,578.22**	**3.58**	**1,581.80**

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Currency swaps	-	83.05	-	**83.05**
Interest rate swaps	-	0.37	-	**0.37**
Total derivative financial instruments	**-**	**83.42**	**-**	**83.42**
Total financial liabilities measured at fair value on a recurring basis	**-**	**83.42**	**-**	**83.42**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a non-recurring basis	Level-1	Level-2	Level-3	Total
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	**83.42**	-	**83.42**

52.03: Valuation techniques

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Equity instruments

Investment in units of mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies derivative financial instruments as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Certificate of deposits (CDs)

Certificate of Deposits are short-term financial instruments issued by Banks. Financial Benchmark India Private Ltd (FBIL) has developed the FBIL- CD, a new benchmark for the money market based on traded CDs reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform of The Clearing Corporation of India Ltd (CCIL). FBIL-CD is announced for seven tenors of 14 days, 1 month, 2 months, 3 months, 6 months, 9 months and 12 months. For valuation, the Company uses FBIL-CD benchmark and based on that benchmark the Company interpolates and calculates CD prices corresponding to their residual maturities and such instruments are classified as Level 2.

52.05: Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

52.06: Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

52 FAIR VALUE MEASUREMENT (Contd.)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(Rs. in crores)

Particulars	Equity instruments	
	As at March 31, 2020	As at March 31, 2019
Opening balance	**3.58**	**0.86**
Purchase	-	-
Sales	-	-
Issuances	-	-
Settlements	-	-
Transfers into level 3	-	-
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Unrealised gains and losses related to balances held at the end of the year	**(0.22)**	**2.72**
Closing balance	**3.36**	**3.58**

52.07: Impact of changes to key assumptions on fair value of level 3 financial instruments measured at fair value

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(Rs. in crores)

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets As at March 31, 2020	Level 3 assets As at March 31, 2019		
Equity instruments	3.36	3.58	Based on the discounted cashflow	Based on the discounted cashflow

52.08: Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/ unfavourable range.

The table below shows data in relation to level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

(Rs. in crores)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
Equity instruments based on the discounted cashflow	3.51	3.18	3.74	3.38

52 FAIR VALUE MEASUREMENT (Contd.)

52.09: Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non-financial liabilities.

(Rs. in crores)

As at March 31, 2020	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	1,864.78	1,864.78	-	-	**1,864.78**
Bank balance other than cash and cash equivalents	5,450.14	-	5,395.64	-	**5,395.64**
Trade receivables	10.50	-	-	10.50	**10.50**
Other receivables	5.64	-	-	5.64	**5.64**
Loans	108,501.71	-	-	103,070.32	**103,070.32**
Investments at amortised cost	2,819.92	1,912.92	-	979.04	**2,891.96**
Other investments	150.52	-	-	150.52	**150.52**
Other financial assets	45.15	-	-	40.20	**40.20**
Total financial assets	**118,848.36**	**3,777.70**	**5,395.64**	**104,256.21**	**113,429.55**
Financial liabilities:					
Trade payables	143.84	-	-	143.84	**143.84**
Other payables	1.13	-	-	1.13	**1.13**
Debt securities	34,266.96	-	36,510.59	-	**36,510.59**
Borrowings (other than debt securities)	42,474.60	-	42,704.86	-	**42,704.86**
Deposits	11,960.12	-	-	12,161.38	**12,161.38**
Subordinated liabilities	5,670.07	-	5,367.03	722.40	**6,089.44**
Other financial liabilities	912.32	-	-	912.32	**912.32**
Lease liabilities	362.81	-	-	362.81	**362.81**
Total financial liabilities	**95,791.85**	**-**	**84,582.49**	**14,303.88**	**98,886.37**
Off balance sheet items					
Other commitments	311.87	-	-	311.87	**311.87**
Total off-balance sheet items	**311.87**	**-**	**-**	**311.87**	**311.87**

(Rs. in crores)

As at March 31, 2019	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	914.01	914.01	-	-	**914.01**
Bank balance other than cash and cash equivalents	3,067.46	-	2,949.28	-	**2,949.28**
Trade receivables	8.48	-	-	8.48	**8.48**
Other receivables	19.94	-	-	19.94	**19.94**
Loans	102,307.49	-	-	101,248.55	**101,248.55**
Investments at amortised cost	2,425.63	1,539.86	-	867.35	**2,407.21**
Other investments	139.84	-	-	139.84	**139.84**
Other financial assets	36.88	-	-	32.06	**32.06**
Total financial assets	**108,919.73**	**2,453.87**	**2,949.28**	**102,316.22**	**107,719.36**
Financial liabilities:					
Trade payables	133.46	-	-	133.46	**133.46**
Other payables	2.72	-	-	2.72	**2.72**
Debt securities	34,181.76	-	29,030.64	-	**29,030.64**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2019	Carrying amount	Fair value Level-1	Level-2	Level-3	Total
Borrowings (other than debt securities)	37,189.30	-	33,526.51	-	**33,526.51**
Deposits	10,341.46	-	-	9,968.68	**9,968.68**
Subordinated liabilities	6,201.88	-	5,492.76	1,249.58	**6,742.34**
Other financial liabilities	1,016.48	-	-	1,016.48	**1,016.48**
Total financial liabilities	**89,067.06**	**-**	**68,049.91**	**12,370.92**	**80,420.83**
Off balance sheet items					
Other commitments	471.92	-	-	471.92	**471.92**
Total off-balance sheet items	**471.92**	**-**	**-**	**471.92**	**471.92**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables, bank overdrafts and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

52.10: Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual yields..

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Instruments with no comparable instruments or valuation inputs are classified as Level 3.

Investment in associate at cost

Investment in associate: As per Ind AS 28 Interest in associate are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. Loan and other similar arrangements with subsidiaries which are probable to be settled for a fixed number of equity share of the borrower for a fixed price are classified as equity investment. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Investment in government securities at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt and borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data such as secondary prices for its

52 FAIR VALUE MEASUREMENT (Contd.)

traded debt and the credit spread on credit default swaps and traded debt of itself.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

53 RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

53.01: Introduction and risk profile

53.01.01: Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk owners within each department will report to the Risk Committee.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

53.01.02: Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

53.01.03: Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department.

The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

53 RISK MANAGEMENT (Contd.)

53.01.04: Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Company.

53.02: Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due(dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

53.02.01: Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

53.02.02: Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 53.02.02.01).

- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 53.02.02.02 to 53.02.02.04)
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 53.02.02.05)
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 53.02.02.06)
- The details of the ECL calculations for stage 1, stage 2 and stage 3 assets (Note 6.1.xi)

53.02.02.01: Definition of default

The Company considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

-The borrower requesting emergency funding from the Company.

53 RISK MANAGEMENT (Contd.)

- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.

53.02.02.02: PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

53.02.02.03: Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For stage 2 and stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

53.02.02.04: Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

53.02.02.05: Significant increase in credit risk(SICR)

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers' ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 53.02.02.01 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 53.02.02.06), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

53.02.02.06: Forward looking information

The Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note 62 for impact of COVID-19 on estimate of PD, LGD and SICR.

53.02.02.07: Grouping financial assets measured on a collective basis

As explained in Note 6.1.(xi) dependent on the factors below, the Company calculates ECLs only on a collective basis.

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. New vehicle finance
2. Pre owned vehicle finance
3. Business Loans

53.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2020 was Rs. 51.01 crores (March 31, 2019: Rs. 49.70 crores).

53 RISK MANAGEMENT (Contd.)

Credit risk exposure analysis

(Rs. in crores)

Particulars	As at March 31, 2020			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Normal	86,628.95	10,501.60	6,351.12	**103,481.67**
Restructured **	-	-	1,003.23	**1,003.23**
Equipment finance	-	-	7.52	**7.52**
Repossessed	-	-	908.45	**908.45**
Exposure > 1 crore	436.02	130.47	519.74	**1,086.23**
Other risks-forced/fraud	-	1,627.59	387.02	**2,014.61**
Grand Total	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**

** includes repossessed assets worth Rs. 44.96 crores

53.03: Liquidity risk and funding management

In assessing the Company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings. Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios.

53 RISK MANAGEMENT (Contd.)

53.03.01: Analysis of financial assets and liabilities by remaining maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2020:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	3,088.99	-	-	-	-	-	**3,088.99**
Bank balance other than above	2,480.60	934.41	789.14	21.78	-	-	**4,225.93**
Derivative assets	758.73	-	-	-	-	-	**758.73**
Financial assets at fair value through profit and loss	-	-	-	-	-	7.42	**7.42**
Loans *	6,915.77	14,216.43	23,589.62	64,954.52	25,558.69	1,634.19	**136,869.22**
Financial investments at amortised cost	80.29	101.63	179.55	519.43	364.27	1,574.75	**2,819.92**
Trade receivables	10.50	-	-	-	-	-	**10.50**
Other receivables	5.64	-	-	-	-	-	**5.64**
Other financial assets	-	-	-	-	-	45.15	**45.15**
Total discounted financial assets	**13,340.52**	**15,252.47**	**24,558.31**	**65,495.73**	**25,922.96**	**3,261.51**	**147,831.50**
Financial liabilities							
Deposits *	768.95	954.94	1,704.67	8,155.32	2,701.97	-	**14,285.85**
Debt securities *	1,506.34	1,740.07	3,943.97	22,256.44	9,096.87	1,532.02	**40,075.71**
Borrowings (other than debt securities) *	3,191.71	5,818.22	10,169.69	20,844.94	7,639.45	581.01	**48,245.02**
Subordinated liabilities *	929.67	326.89	325.03	1,283.78	3,324.54	2,122.82	**8,312.73**
Trade payables	143.84	-	-	-	-	-	**143.84**
Other payables	1.13	-	-	-	-	-	**1.13**
Other financial liabilities	581.20	147.66	58.96	81.48	41.92	1.10	**912.32**
Lease liabilities	24.31	20.24	36.42	135.90	83.79	62.15	**362.81**
Total discounted financial liabilities	**7,147.15**	**9,008.02**	**16,238.74**	**52,757.86**	**22,888.54**	**4,299.10**	**112,339.41**
Net discounted financial assets/ (liabilities)	**6,193.37**	**6,244.45**	**8,319.57**	**12,737.87**	**3,034.42**	**(1,037.59)**	**35,492.09**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2019:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	1,029.14	-	-	-	-	-	**1,029.14**
Bank balance other than above	903.38	1,131.13	198.54	719.28	-	-	**2,952.33**
Derivative assets	21.72	-	-	-	-	-	**21.72**
Financial assets at fair value through profit and loss	1,552.03	-	-	-	-	8.05	**1,560.08**
Loans *	15,224.47	12,609.29	21,693.97	55,374.68	17,941.91	1,087.14	**123,931.46**
Financial investments at amortised cost	112.53	149.43	197.10	460.81	330.04	1,175.72	**2,425.63**
Trade receivables	8.48	-	-	-	-	-	**8.48**
Other receivables	19.94	-	-	-	-	-	**19.94**
Other financial assets	-	-	-	-	-	36.88	**36.88**
Total discounted financial assets	**18,871.69**	**13,889.85**	**22,089.61**	**56,554.77**	**18,271.95**	**2,307.79**	**131,985.66**
Financial liabilities							
Deposits *	891.68	778.19	1,498.30	7,209.38	2,570.91	-	**12,948.46**
Debt securities *	4,968.51	5,914.48	4,916.06	18,123.86	5,013.82	3,351.01	**42,287.74**
Borrowings (other than debt securities) *	5,887.43	5,128.06	9,187.54	13,040.62	6,774.54	1,661.06	**41,679.25**
Subordinated liabilities *	251.74	409.23	879.05	2,570.03	1,204.73	4,332.99	**9,647.77**
Trade payables	133.46	-	-	-	-	-	**133.46**
Other payables	2.72	-	-	-	-	-	**2.72**
Other financial liabilities	828.34	11.98	83.77	70.01	4.43	17.95	**1,016.48**
Derivative liabilities	83.42	-	-	-	-	-	**83.42**
Total discounted financial liabilities	**13,047.30**	**12,241.94**	**16,564.72**	**41,013.90**	**15,568.43**	**9,363.01**	**107,799.30**
Net discounted financial assets/ (liabilities)	**5,824.39**	**1,647.91**	**5,524.89**	**15,540.87**	**2,703.52**	**(7,055.22)**	**24,186.36**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

The table below shows the expiry by maturity of the contingent liabilities and commitments of the Company and its associate: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2020							
In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	133.80	**133.80**
VAT demand where the Company and its associate have filed appeal before various appellates	-	-	-	-	-	117.54	**117.54**
Service tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	326.21	**326.21**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	4.15	-	-	-	-	-	**4.15**
Commitments related to loans sanctioned but undrawn	311.87	-	-	-	-	-	**311.87**
Total commitments	**316.02**	**-**	**-**	**-**	**-**	**582.55**	**898.57**
As at March 31, 2019							
In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	78.79	**78.79**
VAT demand where the Company and its associate have filed appeal before various appellates	-	-	-	-	-	125.16	**125.16**
Service tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	198.53	**198.53**
Estimated amount of contracts remaining to be executed on capital account, net of advances	5.78	-	-	-	-	-	**5.78**
Commitments related to loans sanctioned but undrawn	471.92	-	-	-	-	-	**471.92**
Total commitments	**477.70**	**-**	**-**	**-**	**-**	**402.48**	**880.18**

53 RISK MANAGEMENT (Contd.)

53.04: Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks such as Bank MCLR or London Inter-bank Offered Rate (LIBOR) and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The Company hedges interest rate risks of foreign currency borrowings through derivative transactions. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2020 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Debt instrument	175.00	9.01	(8.48)
Term loans	9,941.92	875.54	(640.63)
Total floating rate borrowings	**10,116.92**	**884.55**	**(649.11)**

As at March 31, 2019 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	2,360.00	232.28	(288.97)
Term loans	10,855.48	672.97	(839.79)
Total floating rate borrowings	**13,215.48**	**905.25**	**(1,128.76)**

54 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount remaining unpaid to supplier as at the end of the year	0.40	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

55 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER LEGAL AND PROFESSIONAL FEES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of senior secured notes of Rs. 0.83 crores (March 31, 2019: Rs. 0.26 crores) [including out-of-pocket expenses of Rs. Nil (March 31, 2019: Rs. Nil)] shown under Legal and professional fees in note 42 Other expenses.

56 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER FINANCE COST

In addition to the auditors remuneration shown under note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with public issue of non-convertible debentures of Rs. 0.36 crores (March 31, 2019: Rs. 0.48 crores) amortised portion of which is included in note 37 Finance Costs under interest on debentures and unamortised portion of which is included in note 22 Debt securities under Redeemable non-convertible debentures - Secured -Public issue.

57 SEGMENT REPORTING

The Company operates in a single reporting segment i.e. financing. Its associate is primarily engaged in the business of facilitation service. Since, it does not meet the quantitative thresholds laid down under the Ind AS 108 – "Segment Reporting" for reportable segments, it has not been considered for segment reporting.

58 TRANSFER OF FINANCIAL ASSETS

Note 58.01: Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Securitisation		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	21,612.72	17,770.52
Carrying amount of associated liabilities (Borrowings (other than debt securities)-measured at amortised cost)	21,452.04	17,738.52
Fair value of assets	20,054.22	16,355.39
Fair value of associated liabilities	20,358.45	15,918.57
Net position at fair value	**(304.23)**	**436.82**

Note 58.02: Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets:

(Rs. in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	1,427.81	2,428.39
Carrying amount of exposures retained by the Company at amortised cost	142.78	253.60

Note 58.03: Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

59 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Resource mobilisation	148.09	67.78
Legal and professional charges	-	0.60
Membership fees	0.00	0.00
Total	**148.09**	**68.39**

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

60 DETAILS OF CSR EXPENSES

(Rs. in crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Gross amount required to be spent by the Company during the year	52.82	39.51
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	53.16	40.06
Yet to be paid in cash	-	-
Total	**53.16**	**40.06**

61 MOVEMENT IN PROVISIONS

(Rs. in crores)

Particulars	As at March 31, 2019	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2020
Provision for taxes- contested	92.75	-	-	92.75

(Rs. in crores)

Particulars	As at April 01, 2018	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2019
Provision for taxes- contested	92.75	-	-	92.75

The above provisions relate to disputed tax demands in relation to VAT and Service tax. Due to the very nature of such provisions and the litigations involved, it is not possible to estimate the timing/ uncertainties relating to their outflows.

62 NOTE ON COVID

The spread of SARS-CoV-2 virus (referred as 'COVID-19') across the globe and in India has contributed to a significant decline and volatility in global and Indian financial markets and a shrink in the economic activities. The Government of India declared 21-day nation-wide lock-down to contain the pandemic COVID-19 with effect from March 25, 2020. The Government then extended the lockdown till May 31, 2020. However, the government relaxed the lock-down in certain essential areas including plying commercial vehicles for transportation of essential and non-essential goods across the country. In terms of COVID-19 regulatory package announced by Reserve Bank of India (RBI) on March 27, 2020 and in accordance with the Scheme approved by the Board of directors of the Company, the Company has extended the moratorium to the eligible borrowers for instalments falling due between March 1, 2020 and May 31, 2020. Further, pursuant to RBI notification dated May 23, 2020, the moratorium is given to eligible borrowers for a further period of three months upto August 31, 2020. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The staging of accounts as on March 31, 2020 with respect to assets which were overdue though standard and to whom moratorium has been granted is based on the days past due as on February 29, 2020 keeping it at standstill. Further, estimates and associated assumptions applied in preparing the financial statements, especially in respect of credit loss on loans, are based on historical experience and other emerging/forward looking factors including those arising on account of the COVID-19 pandemic.

The Company has used relevant indicators of moratorium, considering various measures taken by Government and other authorities along with an estimation of potential stress on probability of defaults and loss given defaults due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit loss on loans, including on account of potential macro-economic conditions. Based on such assessment, the Company has made additional expected credit loss provision of Rs 909.64 crores on account of COVID-19 impact in the financial statement. The impairment loss provided for on account of COVID-19 pandemic is based on the assessment of current situation and the actual impairment loss could be different due to uncertainty over duration of pandemic and restoration of normalcy.

63 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date except the following:

The ratings of the Company which have been downgraded by the various rating agencies after March 31, 2020 are given below:

Credit Rating Agency	Instruments	As at March 31, 2020	Current Rating as on date
CRISIL	Bank Loan Long-term	CRISIL AA+/Stable	CRISIL AA+/Negative
CRISIL	Fixed deposit	CRISIL FAAA/Stable	CRISIL FAAA/ Negative
CRISIL	Non-convertible debenture	CRISIL AA+/Stable	CRISIL AA+/Negative
CRISIL	Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AA+r/Stable	CRISIL PP-MLD AA+r/ Negative
CRISIL	Subordinated debt	CRISIL AA+/Stable	CRISIL AA+/Negative
India Ratings & Research Private Limited (Formerly known as "FITCH")	Non-convertible debenture	IND AA+/Stable Outlook	IND AA+/RWN
India Ratings & Research Private Limited (Formerly known as "FITCH")	Subordinated debt	IND AA+/Stable Outlook	IND AA+/RWN
India Ratings & Research Private Limited (Formerly known as "FITCH")	Structured Non-Convertible Debentures	Provisional IND AAA(CE)/Stable	This rating is now withdrawn
Standard & Poor's Ratings	Offshore Rupee Denominated Bond (Masala Bond)	BB+	BB
Standard & Poor's Ratings	U.S. Dollar Senior Secured Notes	BB+	BB
Standard & Poor's Ratings	Long-Term Issuer Credit Rating	BB+/Negative	BB/Negative

RWN=Rating Watch Negative

64 FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 1,758.76 crores (March 31, 2019: Rs. 1,463.76 crores) in favour of trustees representing the public deposit holders of the Company.

65 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
June 10, 2020

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Sangeeta Gupta
Partner
Membership No. 064225
Gurugram
June 10, 2020

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

Additional information as required by paragraph 2 of the general instructions for preparation of Consolidated Financial statements to schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Asset, i.e, total assets minus total liabilities		Shares in profit or loss	
	As % of Consolidated net assets	Amount (Rs. in crore)	As % of Consolidated profit or loss	Amount (Rs. in crore)
1	2	3	4	5
Parent				
Shriram Transport Finance Company Limited	99.24%	18,005.16	99.58%	2,501.84
Subsidiaries				
Indian	Not applicable	Not applicable	Not applicable	Not applicable
Foreign	Not applicable	Not applicable	Not applicable	Not applicable
Minority interests in all subsidiaries	Not applicable	Not applicable	Not applicable	Not applicable
Associates (Investment as per the equity method)				
Indian				
Shriram Automall India Limited	0.70%	126.46	0.42%	10.43
Foreign	Not applicable	Not applicable	Not applicable	Not applicable
Inter-company eliminations and consolidation adjustments	0.06%	10.68	0.00%	-
Joint Ventures (as per proportionate consolidation / investment as per the equity method)				
Indian	Not applicable	Not applicable	Not applicable	Not applicable
Foreign	Not applicable	Not applicable	Not applicable	Not applicable
Total	**100.00%**	**18,142.30**	**100.00%**	**2,512.27**

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
June 10, 2020

Umesh Revankar
Managing Director & CEO
DIN: 00141189
Mumbai
June 10, 2020

Parag Sharma
Executive Director & CFO
Mumbai
June 10, 2020

Vivek M. Achwal
Company Secretary
Mumbai
June 10, 2020

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

SHRIRAM TRANSPORT FINANCE COMPANY LIMITED

CIN: L65191TN1979PLC007874

Regd. Office: Mookambika Complex, 3rd Floor, No.4, Lady Desika Road, Mylapore, Chennai - 600 004 Tel No: +91 44 2499 0356 Fax: +91 44 2499 3272.

Website: **www.stfc.in Email id: secretarial@stfc.in.**

NOTICE

NOTICE is hereby given that the Forty-First Annual General Meeting of the Members of SHRIRAM TRANSPORT FINANCE COMPANY LIMITED (the Company) will be held on Wednesday, August 19, 2020 at 3.30 p.m. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) facility to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

a. the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and

b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon and

in this regard, to pass the following resolutions as Ordinary Resolutions:

(a) **"RESOLVED THAT** the audited financial statements including Balance Sheet of the Company as at March 31, 2020, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Directors' and Auditors' Reports thereon, placed before the meeting, be and are hereby considered and adopted."

(b) **"RESOLVED THAT** the audited consolidated financial statements including Balance Sheet of the Company as at March 31, 2020, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Auditors' Reports thereon, placed before the meeting, be and are hereby considered and adopted."

2. To confirm the payment of Interim Dividend of Rs.5 per equity share already paid during the year as the Final Dividend for the Financial Year 2019-20 and in this regard, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT an Interim Dividend of Rs.5/- per equity share of face value of Rs.10/- each absorbing Rs. 136.76 crores including dividend distribution tax, for the financial year ended March 31, 2020 paid on November 19, 2019 be and is hereby noted and confirmed as the Final Dividend for the Financial Year 2019-20.

3. To appoint Mr. Puneet Bhatia (DIN 00143973), who retires by rotation as a Director and in this regard, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Puneet Bhatia (DIN 00143973), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. To fix remuneration of joint Auditors of the Company and in this regard, to pass the following resolutions as Ordinary Resolutions:

(a) **"RESOLVED THAT** pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Haribhakti & Co. LLP, Chartered Accountants Firm (Firm Registration No.103523W/W100048), who were appointed as joint Auditors of the Company at the 38th Annual General Meeting (AGM) held on June 29, 2017 to hold office from conclusion of 38th AGM until the conclusion of 43rd AGM of the Company, be paid remuneration of Rs. 58,00,000/- (exclusive of certification fees, goods and services tax and reimbursement of out of pocket expenses) for the financial year 2020-21."

(b) **"RESOLVED THAT** pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Pijush Gupta & Co. Chartered Accountants, Gurugram (Firm Registration No. 309015E), who were appointed as joint Auditors of the Company at the 38th Annual General Meeting (AGM) held on June 29, 2017 to hold office from conclusion of 38th AGM until the conclusion of 43rd AGM of the Company, be paid remuneration of Rs.34,80,000/- (exclusive of certification fees, goods and services tax and reimbursement of out of pocket expenses) for the financial year 2020-21."

SPECIAL BUSINESS

5. **To enhance the limit to sell/ assign/ securitize receivables and in this regard, to pass the following resolution as a Special Resolution:**

   "**RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the "Act"), consent of the Company be and is hereby accorded to the Board of Directors of the Company or its Committee as may be authorised by the Board of Directors to sell / assign / securitize receivables of hypothecation / hire purchase / lease / loan agreements/contracts due from the hirers / lessees / loanees / borrowers of the Company from time to time provided that the aggregate amounts of such transactions outstanding at any point of time shall not exceed Rs. 40,000 crores (Rupees Forty Thousand Crores Only).

   RESOLVED FURTHER THAT the Board of Directors or such Committee/ or person/(s) as authorised by the Board of Directors be and are hereby authorised to finalise the form, extent and manner of, and to sign all such documents, deeds, and writings for giving effect to this resolution."

6. **To approve conversion of loan into equity or other capital of the Company in case of Event of Default and in this regard, to pass the following resolution as a Special Resolution:**

   "**RESOLVED THAT** pursuant to Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the consent of the Company be and is hereby accorded to increase subscribed capital of the Company caused in the event of exercise of rights by the lenders of the company to convert the whole or part of the outstanding amount(s) of Loan(s) in to equity or other capital of the Company in the Event of Default by the Company to repay the Loan(s) in terms of the Financing Document(s) executed or to be executed by the Company in favour of the Lender(s) at a price to be determined in accordance with the applicable regulations of Securities and Exchange Board of India or the directions of Reserve Bank of India and in accordance with the applicable regulatory guidelines of the regulatory authorities.

   RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall include the Banking and Finance Committee or any other Committee constituted by the Board) be and are hereby authorized to negotiate and finalize on behalf of the Company all the terms and conditions and the agreement(s), undertaking(s), declaration(s), indemnity(ies), affidavit(s), document(s), paper(s) and to execute the same on behalf the Company in favour of the lenders(s) and to do all such acts, deeds, matters and things including issue, allotment of further shares in the subscribed capital of the Company and to settle all such matters, issues, doubts, at its absolute discretion, to facilitate the process of conversion of the Loan(s) as aforesaid in the Event of Default to give effect to this resolution."

7. **To authorize capital raising through issuance of Equity Shares and/or other Eligible Securities and in this regard, to pass the following resolution as a Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 62,71 and other applicable provisions, if any, of the Companies Act, 2013 (the "**Companies Act**"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment thereof), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI LODR Regulations**"), the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the uniform listing agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited, (the "**Stock Exchanges**"), the Foreign Exchange Management Act, 1999 and the rules and regulation framed thereunder, as amended, including Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Depository Receipts Scheme, 2014, as amended, the current Consolidated FDI Policy and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the "**GoI**"), the Reserve Bank of India (the "**RBI**"), and the Securities and Exchange Board of India (the "**SEBI**"), Stock Exchanges, Ministry of Corporate Affairs ("**MCA**"), the Registrar of Companies, Tamil Nadu at Chennai and/ or any other competent authorities, whether in India or abroad, (hereinafter singly or collectively referred to as the "**Appropriate Authorities**") and subject to necessary approvals, permissions, consents and sanctions as may be necessary from the Appropriate Authorities in this regard and further subject to such terms, conditions, alterations, corrections, changes, variations and/ or modifications as may be prescribed or imposed by the Appropriate Authorities while granting

any such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include Securities Issuance Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised on behalf of the Company to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of the Issue and for such categories of persons as maybe permitted), such number of equity shares of the Company of face value of Rs.10 each ("**Equity Shares**") and/or other Eligible Securities defined under Regulation 171(a) of SEBI ICDR Regulations, including Foreign Currency Convertible Bonds (FCCBs), fully convertible debentures/partly convertible debentures, non-convertible debentures with warrants convertible into Equity Shares, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (other "**Eligible Securities**") up to an aggregate amount of Rs. 2,500 crore (Rupees Two Thousand and Five Hundred crore only) or equivalent thereof in one or more currencies, at such price or prices, at a discount or premium to market price or prices, as permitted under applicable laws (Issue), in any combination in one or more tranches, whether Rupee denominated or denominated in foreign currency, in the course of international and/or domestic offering(s) in one or more foreign markets and/or domestic market, through one or more public issue(s), private placement(s), qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted under applicable laws to eligible investors in the course of domestic or international offerings through issue of placement document and/or a letter of offer and /or circular or other permissible/requisite offer document to Qualified Institutional Buyers (QIBs) as defined under the SEBI ICDR Regulations in accordance with Chapter VI of the SEBI ICDR Regulations including resident or non-resident/foreign investors (whether institutions and/or incorporated bodies and/or trusts or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, banks, qualified foreign investors, Indian and/or multilateral financial institutions, mutual funds, pension funds and/or any other categories of investors or persons who are authorized to invest in the Company's Equity Shares or other Eligible Securities as per the extant regulations or guidelines, whether they be holders of Equity Shares of the Company or not (collectively referred to as "Investors") or any combination of the above as may be deemed appropriate by the Board in its absolute discretion in consultation with book running lead managers appointed for this purpose on such terms and conditions including securities premium and green shoe option attached thereto, at such price or prices (at prevailing market price or at permissible discount or premium to market price in terms of applicable regulations) at the Board's absolute discretion including the discretion to decide the categories of Investors to whom the offer, issue and allotment of Equity Shares and/or other Eligible Securities shall be made to the exclusion of others, subject to applicable law, considering prevailing market conditions and other relevant factors wherever necessary.

RESOLVED FURTHER THAT subject to the provisions of the SEBI ICDR Regulations, in the event the Issue is undertaken by way of Qualified Institutions Placement ("QIP") to Qualified Institutional Buyers ("**QIBs**") in terms of Chapter VI of the SEBI ICDR Regulations:

(a) the allotment of Equity Shares and/or other Eligible Securities shall only be to Qualified Institutional Buyers as defined in the SEBI ICDR Regulations ("QIBs")

(b) the allotment of such Equity Shares and/or other Eligible Securities, or any combination of Eligible Securities as may be decided by the Board to be completed within a period of 365 days from the date of passing of the Special Resolution by the Members or such other time as may be allowed under the SEBI ICDR Regulations from time to time;

(c) The Equity Shares and/or other Eligible Securities (excluding warrants) shall be allotted as fully paid up.

(d) in case of allotment of Equity Shares, the relevant date for the purpose of pricing of the Equity Shares to be issued, shall be the date of the meeting in which the Board decides to open the QIP for subscription and in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the Issue of such other Eligible Securities or the date on which the holders of such other Eligible Securities become entitled to apply for Equity Shares, as may be determined by the Board;

(e) no single allottee shall be allotted more than fifty per cent of the Issue size and the minimum number of allottees shall be as per the SEBI ICDR Regulations;

(f) to determine and finalize price for issuance of any Equity Shares and/or other Eligible Securities, subject to the price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations (the QIP Floor Price);

Provided however, that the Board may, at its absolute discretion, in consultation with the book running lead managers, offer a discount of not more than 5% or such other discount as permitted under applicable law on the QIP Floor Price, calculated in accordance with the pricing formula provided under the SEBI ICDR Regulations;

(g) any subsequent QIP of Equity Shares and/or other Eligible Securities shall not be made until the expiry of two weeks or such other period as may be permitted by SEBI, from the date of the prior QIP made pursuant to this Special Resolution.

(h) The Equity Shares and/or other Eligible Securities shall not be eligible to be sold by the allottee(s) for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time.

RESOLVED FURTHER THAT in case of offering of any other Eligible Securities convertible into Equity Shares, consent of the shareholders be and is hereby accorded to the Board to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Eligible Securities referred to above in accordance with the terms of issue/ offering in respect of such Eligible Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares and/or other Eligible Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Company to seek listing of any or all of such Equity Shares and/ or other Eligible Securities on one or more Stock Exchanges in India or abroad, as necessary.

RESOLVED FURTHER THAT the Equity Shares that may be issued and allotted, including upon conversion of any other Eligible Securities in accordance with the terms of the offering, shall rank pari passu with the existing Equity Shares of the Company in all respects including entitlement to dividend, voting rights or otherwise.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares and/or other Eligible Securities or instruments representing the same, as described above, the Board be and is hereby authorized to (i) do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of terms and conditions for issuance of the Equity Shares and/or other Eligible Securities, the number of Equity Shares and/or Eligible Securities that may be offered in domestic and international markets and proportion thereof, timing for issuance of such Equity Shares and/or other Eligible Securities (ii) to vary, modify or alter any of the terms and conditions as it may deem expedient, (iii) entering into and executing agreements in relation to arrangements made for managing, marketing, listing, trading and providing legal advice as well as acting as depository, custodian, registrar, trustee, escrow agent (iv) to execute any amendments or supplements thereto, as may be necessary or appropriate (v) to finalize, approve and issue placement document(s), prospectus and/or offer document and/or circular(vi) filing of placement documents(s), prospectus and other documents (in preliminary or final form) with any Indian or foreign regulatory authority or stock exchanges (vii) to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto (viii) to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Equity Shares and/or other Eligible Securities and (ix) take all steps which are incidental and ancillary in this connection, including in relation to utilization of the Issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to seek any approval that is required in relation to the creation, issuance and allotment and listing of the Equity Shares and/or other Eligible Securities, from any statutory or regulatory authority or the stock exchanges in India or abroad, as necessary and that any approvals that may have been applied for by the Board in relation to the creation, issuance and allotment and listing of the Equity Shares and/ or other Eligible Securities be and are hereby approved and ratified by the members."

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 (collectively referred to as "MCA Circulars") permitted to hold the Annual General Meeting ("AGM") for the calendar year 2020 through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the "Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 41st AGM of the Company is being held through VC / OAVM. The deemed venue for the 41st AGM shall be the Registered Office of the Company.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the 41st AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this 41st AGM is being held pursuant to the MCA Circulars through VC / OAVM facility, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 41st AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing's body resolution/authorization etc., authorizing their representative to attend the 41st AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the Scrutinizer by email through its registered email address to srirampcs@gmail.com and may also upload the same at https://evoting.karvy.com.
4. The Explanatory Statement pursuant to Section 102(1) of the Act, in respect of the item no. 5 to 7 is annexed and forms a part of this Notice. The Board of Directors, at their meeting held on June 10, 2020 and June 15, 2020, has decided that the special business set out under item nos. 5 to 7, being considered unavoidable, be transacted at the 41st AGM of the Company.
5. Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, August 13, 2020 to Wednesday, August 19, 2020 (both days inclusive) for the purpose of 41st AGM of the Company.
6. A brief detail of the director, who is being re-appointed, is annexed hereto as per the requirements of regulation 36(3) of the SEBI Listing Regulations and as per provisions of the Act.
7. The Board of Directors at its meeting held on October 24, 2019, had declared interim dividend of Rs.5/- per equity share of Rs.10/- each for the financial year 2019-20. The payment was made on November 19, 2019. In order to conserve cash resources to face the challenges and the contingencies created by Corona virus pandemic, the Board of Directors have not recommended the final dividend. As such, the interim dividend shall be the final dividend for the financial year 2019-20.

   The Board of Directors recommend for consideration of the members the above referred interim dividend as final dividend for the financial year ended March 31, 2020.
8. At the 38th AGM held on June 29, 2017 the Members approved appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants Firm (Firm Registration No.103523W/W100048) and M/s. Pijush Gupta & Co. Chartered Accountants, Gurugram (Firm Registration No. 309015E) as joint Auditors of the Company to hold office from the conclusion of 38th AGM till the conclusion of the 43rd AGM, subject to ratification of their appointment by Members at every AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of joint auditors at the 41st AGM.
9. The facility of joining the 41st AGM through VC/OAVM will be opened 30 minutes before and will be open upto 15 minutes after the scheduled start time of the 41st AGM, i.e., from 03.00 p.m. to 03.45 p.m. and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors, etc.
10. Institutional investors, who are members of the Company, are encouraged to attend and vote at the 41st AGM of the Company.
11. In terms of sections 101 and 136 of the Act read with the rules made thereunder, the listed companies may send the notice of 41st AGM and the annual report, including financial statements, boards' report, etc. by electronic mode. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the 41st AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and

Annual Report for F.Y.2019-20 will also be available on the Company's website www.stfc.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Private Limited ('KFin') at https://evoting.karvy.com.

12. Further, those Members who have not registered their email addresses may temporarily get themselves registered with Company's Registrar and Share Transfer Agent, Integrated Registry Management Services Private Limited ("Integrated") by clicking the link: https://www.integratedindia.in/emailupdation.aspx for receiving the Annual Report for F.Y.2019-20 also containing Notice of the AGM.

13. Members attending the 41st AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

14. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on August 12, 2020 being Cut-off Date.

15. Any person, who acquires shares of the Company and becomes a Member after dispatch of the Notice, but holds shares as on the Cut-off Date for remote e-voting i.e. August 12, 2020, may obtain the login Id and password by sending a request at evoting@kfintech.com or csdstd@integratedindia.in or secretarial@stfc.in.

16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the 41st AGM.

17. Since the 41st AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

18. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Chennai, Tamil Nadu - 600 004:

    i) Register of contracts or arrangements in which directors are interested under Section 189 of the Act.

    ii) Register of directors and key managerial personnel and their shareholding under Section 170 of the Act.

    In accordance with the MCA Circulars, the Statutory Registers will be made accessible for inspection through electronic mode and shall remain open and be accessible to any Member during the continuance of the 41st AGM.

19. The Board of Directors has appointed Mr. P. Sriram, Practising Company Secretary (Membership No. FCS 4862), Chennai as the Scrutinizer to scrutinize the e-voting process (remote e-voting and Insta Poll at the 41st AGM) and at the 41st AGM in a fair and transparent manner and he has consented to act as scrutinizer.

20. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company at secretarial@stfc.in or Company's Registrars and Share Transfer Agents, Integrated Registry Management Services Private Limited ("Integrated") at csdstd@integratedindia.in for assistance in this regard.

21. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register their e-mail address with their Depository Participant (s)(DP) in case the shares are held by them in electronic form and with Integrated in case the shares are held by them in physical form for receiving all communication including Annual Report, Notices, Financial Results etc. from the Company electronically.

22. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Integrated in case the shares are held by them in physical form.

23. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Integrated, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

24. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.

25. Transfer of unclaimed dividend transferred to Investor Education and Protection Fund

i. Pursuant to the provisions of Section 125 of the Companies Act, 2013, the dividends which remain unclaimed for a period of 7 years will be transferred by the Company to the "Investor Education and Protection Fund" (IEPF) established by the Central Government as and when they fall due. Shareholders who have not encashed their dividend warrant/ payment instrument(s) so far are requested to make their claim to the Company's Corporate Office or to Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street North Usman Road, T Nagar, Chennai - 600 017 before transfer to IEPF on the respective dates mentioned below. The intimation in this regard is being sent to the concerned shareholders.

Year ending on March 31	Dividend to be transferred to IEPF		Year ending on March 31	Dividend to be transferred to IEPF	
	Final Dividend	Interim Dividend		Final Dividend	Interim Dividend
2013	10/08/2020	-	2017	04/08/2024	30/11/2023
2014	14/08/2021	04/12/2020	2018	31/08/2025	07/12/2024
2015	05/09/2022	25/11/2021	2019	02/08/2026	30/11/2025
2016	01/09/2023	04/12/2022	2020	-	29/11/2026

ii) **Transfer of Equity Shares to Investor Education and Protection Fund** –As per Government of India Gazette notification No. REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by Ministry of Corporate Affairs(MCA), the Company is required to transfer the shares to Investor Education and Protection Fund Authority (IEPF Authority), the shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF Authority as per Section 124 of the Act, and the applicable rules. Accordingly, during the financial year 2019-2020 the Company had transferred 56,128 Equity shares of Rs. 10/- each in respect of which the following dividend is not claimed/remains unpaid for seven consecutive years as per the below mentioned table.

Financial Year	Type of Dividend	No. of Shares Transferred to IEPF Authority	IEPF 4 Form Filing date
2011-2012	Final Dividend	24,715	01/10/2019
2012-2013	Interim Dividend	31,413	27/03/2020

The Members who have a claim on above dividends and equity shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5. During the financial year ended March 31, 2020, the Company had received requests from investors for claiming dividends, fixed deposits and equity shares from IEPF Authority. Information on the procedures to be followed for claiming the dividend/shares/ fixed deposits are available on the weblink: http://www.iepf.gov.in/IEPF/refund.html

No claims shall lie against the Company in respect of the dividend, shares, etc. so transferred. The Members/ Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

Voting through electronic means

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations, the Members are provided the facility to cast their vote electronically, through the remote e-voting services provided by M/s KFin Technologies Private Limited ('KFin'), on all the resolutions set forth in this Notice. A person, whose name is recorded in the Register of Members (in case of physical shareholding) or in the register of beneficial owners maintained by the depositories (in case of dematerialized shares) as on the cut-off date i.e. Wednesday, August 12, 2020 only shall be entitled to avail the facility of remote e-voting or for participation at the 41st AGM and voting through Insta Poll. A person who is not a Member as on the Cut-off Date should treat this Notice for information purpose only.

The remote e-voting period commences on **Sunday, August 16, 2020 (9.00 a.m. IST)** and ends on **Tuesday, August 18, 2020 (5:00 p.m. IST)**. The e-voting module shall be disabled by Kfin for voting thereafter. Those shareholders, who will be present in the 41st AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the 41st AGM.

I. Procedure and Instructions for remote e-voting are as under:

(i) Initial password is provided in the body of the email.

(ii) Launch internet browser and type the URL: https://evoting.karvy.com in the address bar.

(iii) Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./ DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, use your existing User ID and password for casting your votes.

(iv) After entering the details appropriately, click on LOGIN.

(v) You will reach the password change menu wherein you will be required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) You need to login again with the new credentials.

(vii) On successful login, the system will prompt you to select the EVENT i.e. Shriram Transport Finance Company Limited

(viii) On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

(ix) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

(x) Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

(xi) Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (pdf/jpg format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at srirampcs@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'STFCL_EVENT No.'.

(xii) In case of any queries/grievances, related to e-voting, the Member may contact the following person or may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of https://evoting.karvy.com :

Name : Mr. D S Nagaraja
Designation : Deputy Manager,
KFin Technologies Private Limited
Unit: Shriram Transport Finance Company Limited
Selenium Tower B, Plot 31-32
Gachibowli Financial District,
Nanakramguda,
Hyderabad – 500 032
Email ID: evoting@kfintech.com
Tel: 040 6716 1582/ Toll free No. 1-800-3454-001

Alternatively, Members may also write to Company Secretary at secretarial@stfc.in.

In case of any other queries/grievances, the Member may send an email at csdstd@integratedindia.in to Integrated Registry Management Services Private Limited, Registrar and Share Transfer Agents of the Company.

II. Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secretarial@stfc.in / csdstd@integratedindia.in

2. For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to secretarial@stfc.in/csdstd@integratedindia.in

III. Instructions for attending/joining the 41st AGM through VC/OAVM are as under:

1. Members will be able to attend the 41st AGM through VC/OAVM facility provided by KFin at https://emeetings.kfintech.com by clicking on the tab 'Video Conference' and using their remote e-voting login credentials. The link for 41st AGM will be available in members login where the EVENT and the name of the Company can be selected.

2. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned under heading 'I' above.
3. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
4. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
5. While all efforts will be made to make the VC/OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may, at times, experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

6. **AGM Questions prior to 41st AGM:** Members who would like to express their views/ask questions during the 41st AGM may log into https://emeetings.kfintech.com/ and click on "Post your Questions". Thereafter, the Members may post their queries/views in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. "Post your Questions" shall commence on Sunday, August 09, 2020 (9:00 a.m. IST) and close on Wednesday, August 12, 2020 (5:00 p.m. IST). Please note that only questions of the members holding the shares as on cut-off date will be considered.

7. **Speaker Registration during 41st AGM session:** Members who would to express their views/ask questions during the 41st AGM may log into https://emeetings.kfintech.com/ and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on Sunday, August 09, 2020 (9:00 a.m. IST) and close on Wednesday, August 12, 2020 (5:00 p.m. IST). Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the 41st AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the 41st AGM.

8. A video guide assisting the members attending 41st AGM either as a speaker or participant is available for quick reference at:

   https://emeetings.kfintech.com/video/howitworks.aspx

9. Members who need technical assistance before or during the 41st AGM can contact KFin at emeetings@kfintech.com or helpline – 1800 345 4001.

IV. Instructions for e-voting at the 41st AGM are as under:-

1. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the Chairman during the 41st AGM proceedings. Members shall click on the same to take them to the "instapoll" page.
2. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
3. Only those Members, who will be present in the 41st AGM through video conferencing facility and have not cast their vote through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting at the 41st AGM.

V. Scrutinizer's Report and declaration of results:

i. The Scrutinizer shall, immediately after the conclusion of voting at the 41st AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting and make a consolidated Scrutinizers' report of the total votes cast in favour or against, not later than 48(forty eight) hours of the conclusion of the 41st AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

ii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.stfc.in and on the website of Karvy at https://evoting.karvy.com/ immediately after the declaration of results by the Chairman and communicate to the National Stock Exchange of India Limited and BSE Limited. The resolutions shall be deemed to be passed at the 41st AGM of the Company.

By Order of the Board
For Shriram Transport Finance Company Ltd.

Mumbai
June 15, 2020

Vivek Achwal
Company Secretary
Membership No. : ACS 8061

CIN: L65191TN1979PLC007874
Regd. Office: Mookambika Complex, 3rd Floor, No.4,
Lady Desika Road, Mylapore, Chennai - 600 004
Tel No: +91 44 2499 0356 Fax: +91 44 2499 3272.
Website: www.stfc.in Email id: secretarial@stfc.in.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

ITEM NO. 5

Section 180(1)(a) of the Companies Act, 2013 ('the Act'), provides that the Board of Directors of a company shall not except with the consent of the Company in General Meeting, by way of Special Resolution, sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company. Explanation of "undertaking" for the purpose of Section 180(1)(a) of the Act, shall mean an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year.

The Company is required to raise funds by way of securitization of receivables by way of sale /assignment. The outstanding Securitization assets portfolio of the Company as on March 31, 2020 was Rs. 21,612.72 crores and outstanding direct assigned portfolio stood at Rs. 1,247.53 crores. The members of the Company by way of special resolution passed on July 09, 2014 through postal ballot/e-voting had authorised the Board of Directors to securitize receivables by way of sale / assignment from time to time provided that outstanding amounts of such securitization at any point of time shall not exceed Rs. 30,000 crores.

During the current financial year 2020-21 the Company will continuously review its borrowing options for optimization of borrowing costs, maintaining good liquidity for its business growth and timely servicing of liabilities. Therefore, depending upon the market conditions, the Company may require higher limits for securitization than the existing limit of Rs. 30,000 crore. The limit of Rs. 40,000 as proposed in the Special Resolution at item no. 5 of the Notice will give adequate flexibility to the Company to change its borrowing profile depending upon market conditions. With securitization, the Company ensures better borrowing profile, leading to lower interest liability owing to its lending to priority sector as per Reserve Bank of India. The securitization of receivables may result into disposal of undertaking as defined in the Explanation to Section 180(1)(a) of the Act. The resolution proposed at item no.5 is to seek the permission of the members for enhancement of limits for selling, assigning, securitizing Receivables under Section 180(1) (a) of the Act by the Board of Directors of the Company or its Committee as may be authorised by the Board of Directors.

The Board of Directors commend passing of the said resolution.

None of the directors, key managerial personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the said resolution.

ITEM NO. 6

The Company is one of the leading asset financing non-banking financial companies (NBFC), primarily engaged in the business of financing of the pre-owned commercial vehicles in the goods and passenger transportation sector of the country. Being NBFC, the Company borrows funds from the lenders by availing various fund-based and non-fund based credit facilities including terms loans, demand loans, working capital loans, letter(s) of credit, bill discounting, corporate guarantee (Loan(s)) in the ordinary course of its business from bank(s) and financial institution(s) (Lender(s)) for onward lending, from time to time. In this connection, the Company has executed/will be required to execute loan agreement(s), deed(s) of hypothecation, mortgage deed(s), undertaking(s), indemnity(ies), declaration(s), affidavit(s), document(s) and papers ('Financing Documents') to provide security to the Lenders for due repayment and serving of the Loan(s) from time to time. The Company is also required to agree and accept modification(s) in the Financing Documents from time to time as may be required by the lender(s). As on March 31, 2020, the outstanding amount of the Loans availed by the Company from the Lenders was Rs. 21,022.56 crores. This amount may increase or decrease in the course of business of the Company within the limit(s) approved by the Members pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013 ('the Act').

One of the standard clauses of the Financing Documents executed/to be executed by the Company in favour of the Lender(s) provide that in case of the occurrence of an Event of Default which is not corrected/cured by the Company within the period stipulated in the Financing Document(s) or in case of restructuring of debt, the Lender(s) shall have the right to convert the outstanding amounts of the Loan(s) together with all interest, default interest, additional interest, costs, fees, charges and other monies in relation to the Loan(s), to equity or other capital of the Company. The price of the shares for conversion of the Loan(s) will be determined in accordance with the applicable regulations of Securities and Exchange Board of India or the directions of Reserve Bank of India, in accordance with the applicable regulatory guidelines.

Pursuant to the proviso to Section 62(3) of the Act approval of the company by way passing Special Resolution is necessary to convert the loan into shares in the Company.

The Company has a good track record of timely repayment of Loan(s) and interest due thereon. In the opinion of the Board, there are no events or circumstances causing or likely to cause occurrence of the Event of Default resulting into conversion of Loan(s) into equity or other capital of the Company in the near future.

This enabling special resolution is proposed to be passed as per the requirement of the Financing Documents executed and/or to be executed by the Company in favour of the Lender(s). Hence, approval of the members of the Company by way of passing Special Resolution is sought as per requirement of the provision of Section 62(3) or any other applicable provisions of the Act.

The Board commends passing of the special resolution as per item 6 of the Notice.

None of the directors, key managerial personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the said resolution.

ITEM NO. 7

The Board of Directors in its meeting held on June 15, 2020 approved fund raising up to Rs.4,000 crores consisting of Rights Issue of Equity Shares up to Rs. 1,500 crores to be offered to the existing Eligible Equity Shareholders on the Record Date to be announced in due course. The Board of Directors had further approved an issuance of Equity Shares and/or other Eligible Securities aggregating to Rs. 2,500 crores through various permissible modes including qualified institution placement (QIP), public issue, private placement, etc.

The Board considers that strengthening the Company's capital base and balance sheet is important and the proposal of fund raising up to Rs. 2,500 crores will help the Company to augment the long term resources for meeting funding requirements of its business activities, financing the future growth opportunities, general corporate purposes and other purposes including effectively facing challenges of the uncertainties and disruptions caused by COVID-19 pandemic.

The type of securities could be Equity shares and/or fully convertible debentures/partly convertible debentures, secured and/or unsecured Foreign Currency Convertible Bonds (FCCBs), non-convertible debentures with warrants convertible into Equity Shares, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares or any combination thereof ('other Eligible Securities') depending upon the prevailing market conditions. One or more Qualified Institutions Placement(s), public issue(s), private placement(s) could be used to issue such Equity shares or other Eligible Securities in one or more tranches and/or one or more issuances for an aggregate amount up to and not exceeding Rs. 2500 crores.

It is proposed to seek approval of the shareholders through the enabling resolution for raising of funds for an amount up to Rs. 2,500 crores or its equivalent in any other currency(ies)

The issue of Equity Shares and /or other Eligible Securities shall be made having due regard to the prevailing market conditions and any other relevant factors. The detailed terms and conditions for the issue(s)/offering(s) including price and timing of the Issue will be determined by the Board (which shall mean and include the Securities Issuance Committee) in its sole discretion in consultation with the advisors, book running lead managers and such other authority or authorities as may be necessary.

The allotment of the Equity Shares and/or other Eligible Securities shall be completed within a period of 365 days from passing of this resolution or such other time as may be allowed under SEBI-ICDR Regulations.

The resolutions proposed are enabling approvals and the exact combination of instrument(s), exact price, proportion and timing of the issue of the Equity Shares and/or or other Eligible Securities in one or more tranches and/or issuances and the detailed terms and conditions of such tranche(s)/ issuances will be decided by the Board in consultation with lead managers, advisors and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors after meeting the specific requirements in a manner that the aggregate amount of proceeds in one or more issuances or tranches shall not exceed overall limit of Rs. 2,500 crores or its equivalent in other currency(ies).

The proposals therefore seek to confer upon the Board the absolute discretion and adequate flexibility to determine the terms of issue(s) and to take all steps which are incidental and ancillary. As the pricing of the offer cannot be decided except at a later stage, it is not possible to state upfront the price of Equity Shares and/or other Eligible Securities to be issued. However, the same would be in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations"), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999, the Companies Act, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, the Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations, 2019, the Foreign Exchange Management (Debt Instruments) Regulations, 2019, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 or any other guidelines/ regulations/ consents, each as amended, as may be applicable or required.

In the event of the issue of the Equity Shares and/or other Eligible Securities as aforesaid by way of a QIP, the Special

Resolution also seeks to empower the Board to undertake a QIP as defined by ICDR Regulations, where pricing will be determined in terms of the SEBI ICDR Regulations.

The 'relevant date' shall be determined in accordance with Regulation 171 of the SEBI ICDR Regulations, that is, for Equity Shares, it shall be the date of the meeting of the Board where the decision for opening of the QIP issue for subscription is taken. For other Eligible Securities, the 'relevant date' shall be the date of the meeting of the Board decides to open the issue of such eligible other Eligible Securities or the date on which the holders of such other Eligible Securities become entitled to apply for the Equity Shares.

Further, Section 62(1)(a) of the Companies Act, 2013 (the "Companies Act") provides, inter alia, that when it is proposed to increase the subscribed capital of the company by issue of further shares, such further shares shall be offered to existing Members of such company in the manner laid down therein unless the Members by way of a Special Resolution decide otherwise. Since the Special Resolution proposed at item No. 7 of the Notice may result in the issue of Equity shares of the Company to persons other than existing Members of the Company, approval of Members is being sought pursuant to provisions of Section 62(1)(c) and other applicable provisions of the Companies Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of SEBI-LODR Regulations. The approval of the Members is being sought pursuant to the provisions of Section 23, 42, 71 and other applicable provisions of the Companies Act and Rules notified under the Act, applicable regulations of SEBI including the SEBI ICDR Regulations, to the extent applicable.

The Board will take all steps to implement the proposal including but not limited to appointment of merchant bankers , book running lead managers, lead managers, legal advisors, depository, custodians, registrar, escrow agents and other intermediaries to advise and assist the Company regarding the issue of Equity Shares and/or other Eligible Securities, meeting and negotiating with the potential investors.

The Equity Shares to be allotted would be listed on one or more stock exchanges. The offer/ issue/ allotment of the Equity Shares and/or other Eligible Securities would be subject to the availability of the regulatory approvals, if any.

In connection with the proposed issue of the Equity Shares and/ or the other Eligible Securities, the Company is required, inter alia, to prepare various documentations and execute various agreements. The Company is yet to identify the investor(s) and decide the quantum of Equity Share and/ or other Eligible Securities to be issued to them. Hence, the details of the proposed allottees, percentage of post offer holding that may be held by them and post offer holding pattern of Equity Shares and /or other Eligible Securities of the Company and other details are not available at this point of time and shall be disclosed by the Company under the applicable regulations in due course (at appropriate times and modes). Accordingly, it is proposed to authorize the Board to identify the investor(s), issue such number of Equity Shares and/or other Eligible Securities, negotiate, finalize and execute such documents and agreements as may be required and do all such acts, deeds and things in this regard for and on behalf of the Company. The issue/ allotment/ conversion would be subject to the applicable regulatory approvals, if any. The conversion of other Eligible Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations.

The Board commends passing of the Special Resolution as per item 7 of the Notice.

None of the Directors, key managerial personnel of the Company and their relatives is concerned or interested in this resolution, except to the extent of Equity Shares and / or other Eligible Securities issued/allotted to the entities in which they are directors or members.

This Notice does not constitute an offer or invitation or solicitation of an offer of securities to the public within or outside India. Nothing in this Notice constitutes an offer of securities for sale or solicitation in any jurisdiction in which such offer or solicitation is not authorized or where it is unlawful to do so.

This announcement is not an offer of securities for sale in the United States. Any securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended ('the Securities Act') or any United States state securities laws, and may not be offered or sold in the United States except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable United States state securities laws. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

By Order of the Board

For Shriram Transport Finance Company Ltd.

Mumbai **Vivek Achwal**
June 15, 2020 **Company Secretary**

CIN: L65191TN1979PLC007874
Regd. Office: Mookambika Complex, 3rd Floor, No.4,
Lady Desika Road, Mylapore, Chennai - 600 004
Tel No: +91 44 2499 0356 Fax: +91 44 2499 3272.
Website: www.stfc.in Email id: secretarial@stfc.in.

Information as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and SS2 - Secretarial Standard on General Meetings with respect to Director's re-appointment:

Name of Director	Mr. Puneet Bhatia (Non-Executive/ Non Independent Director)
Date of Birth and Age	16/12/1966 and 53 years
DIN	00143973
Date of appointment / first appointment on the Board	October 26, 2006
Nationality	Indian
Expertise in specific functional areas	Wide experience in the field of finance and worked with one of the first private equity firm to invest in Asia as Managing Director and Country Head
Qualifications	Bachelor's degree in Commerce and MBA from IIM – Calcutta.
Directorship held in other companies	1.Havells India Limited. 2.Sai Life Sciences Limited. 3.R R Kabel Limited. 4.Ram Ratna Electricals Limited. 5.Jana Small Finance Bank Limited. 6.Shriram Capital Limited. 7.Jana Capital Limited. 8.TPG Capital India Private Limited. 9.Flare Estate Private Limited. 10.Campus Activewear Private Limited. 11.Manipal Health Enterprises Private Limited.
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholders Relationship Committee)	Shriram Capital Limited Member – Audit Committee
Shareholdings in the Company	NIL
Disclosure of relationships between directors/Key Managerial Personnel inter-se.	There is no inter-se relationship between Mr. Puneet Bhatia and the directors on the Board of Directors of the Company and Key Managerial Personnel.
Remuneration to be paid and received from the Company in the F.Y. 2019-20	Nil being a Non-Executive Non- Independent Director.
Terms and conditions of re-appointment along with details of remuneration sought to be paid	Director liable to retirement by rotation. No Remuneration is paid to Non-Executive Non-Independent Director.
The number of Meetings of the Board attended during the F.Y. 2019-20	3 Meetings attended out 6 Board Meetings held.

BRIEF PROFILE OF MR. PUNEET BHATIA

Puneet Bhatia is the Co-Managing Partner for TPG Capital Asia and the head of TPG Capital India. He has created and led over a dozen transactions and invested close to $2bn for TPG Capital in India including Matrix Laboratories, Vishal Retail, invested over $500m in the Shriram group in four of the group companies, in Manipal Hospitals, Union Bank of Colombo PLC and Jana Capital Ltd and recently in the largest private equity transaction in India in UPL, Sai Pharma and RR Kabel. He currently serves on the Board of Directors of these companies.

Prior to joining TPG in April 2002, Mr. Bhatia was Chief Executive, Private Equity Group for GE Capital India ("GE Capital"), where he was responsible for conceptualizing and creating its direct and strategic private equity investment group. As Chief Executive, he created and handled a portfolio of almost a dozen companies such as TCS, Patni Computers, BirlaSoft, Sierra Atlantic, iGate, Indus Software and Rediff. He was also responsible for consummating some of GE Capital's joint ventures in India. Prior to this, Mr. Bhatia was with ICICI Ltd from 1990 to 1995 in the Project and Corporate Finance group and worked as Senior Analyst with Crosby Securities from 1995 to 1996. Mr. Bhatia was born, grew up in and is based in India. He has a B.Com Honors degree from the Sriram College of Commerce, Delhi and an MBA from the Indian Institute of Management, Calcutta. The Nomination and Remuneration Committee in its meeting held on April 29, 2020 as well as the Board of Directors in its meeting held on June 10, 2020 recommend re-appointment of Mr. Puneet Bhatia a non-executive non-independent director, liable to retire by rotation. Except Mr. Puneet Bhatia, none of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolution as set out in item no. 3 of the Notice.

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

Shriram Transport Finance Company Limited
www.stfc.in

SHRIRAM

Transport Finance Company Limited

A WINNING RELATIONSHIP

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FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

CORPORATE
INFORMATION

Corporate Identity Number (CIN)

L65191TN1979PLC007874

BOARD OF DIRECTORS

Chairman (Non - Executive)
Mr. S. Lakshminarayanan (Independent)

Vice Chairman & Managing Director
Mr. Umesh Revankar

Directors
Mrs. Kishori Udeshi (Independent)
Mr. S. Sridhar (Independent)
Mr. Pradeep Kumar Panja (Independent)
Mr. D. V. Ravi
Mr. Puneet Bhatia
(upto August 19, 2020)
Mr. Ignatius Michael Viljoen

SENIOR MANAGEMENT TEAM

Mr. Parag Sharma, Joint Managing Director and CFO

Mr. S. Sunder, Joint Managing Director

Mr. P. Sridharan, Joint Managing Director

Mr. Sudarshan Holla, Joint Managing Director

Mr. Nilesh Odedara, Joint Managing Director

Mr. Vivek Achwal, Company Secretary

AUDITORS

M/s. Haribhakti & Co., LLP, Chartered Accountants
M/s. Pijush Gupta & Co., Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

Integrated Registry Management Services Private Limited,
2nd Floor, 'Kences Towers', No. 1,
Ramakrishna Street, North Usman Road,
T. Nagar, Chennai - 600 017. Tel No. : +91 44 281 408 01/02/03, Fax: +91 44 2814 2479

DEBENTURE TRUSTEES

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17, R Kamani Marg,
Ballard Estate, Mumbai – 400 001.
Mr. Jatin Bhat
Tel No. : +91 22 40807000, Fax: + 91 22 66311776
itsl@idbitrustee.com

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg,
Dadar West, Mumbai- 400 028.
Ms. Krishna Kumari
Tel No. : + 91 22 6230 0451, Fax: +91 22 6230 0700
debenturetrustee@axistrustee.com

Catalyst Trusteeship Limited (Formerly known as GDA Trusteeship Limited)
Office No. 604, 6th floor, Windsor,
C.S.T. Road, Kalina, Santacruz (East), Mumbai 400098.
Mr. Umesh Salvi
Tel No. : +91 22 – 49220555, Fax: +91 22 49220505
umesh.salvi@ctltrustee.com

REGISTERED OFFICE

Sri Towers, Plot No.14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu. Tel: +91 44 4852 4666 Fax: +91 44 4852 5666.

CORPORATE OFFICE

Wockhardt Towers, West Wing, Level-3, C-2, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. Tel No. : +91 22 4095 9595, Fax: +91 22 4095 9597

LISTED AT

National Stock Exchange of India Limited
BSE Limited

LIST OF INSTITUTIONS

- International Finance Corporation (IFC)
- Life Insurance Corporation of India
- Micro Units Development and Refinance Agency Bank (MUDRA)
- National Bank for Agriculture and Rural Development (NABARD)
- NEC Capital Solutions Limited
- Oesterreichische Entwicklungsbank AG (OeEB)
- Proparco
- Small Industries Development Bank of India (SIDBI)

LIST OF BANKS

- Axis Bank Limited
- Bank of Baroda
- Bank of India
- Bank of Maharashtra
- Barclays Bank PLC
- BNP Paribas SA
- Canara Bank
- Central Bank of India
- Citibank N.A.
- Credit Suisse AG
- DBS Bank India Limited
- Deutsche Bank AG
- Dhanlaxmi Bank Limited
- Doha Bank
- Emirates NBD Bank PJSC
- FirstRand Bank Limited
- HDFC Bank Limited
- ICICI Bank Limited
- IDBI Bank Limited
- IDFC First Bank Limited
- Indian Bank
- Indian Overseas Bank
- IndusInd Bank Limited
- ING Bank, a Branch of ING-DiBa AG
- JP Morgan Chase Bank N.A.
- KEB Hana Bank
- Kotak Mahindra Bank Limited
- MUFG Bank
- PT Bank Rakyat (Indonesia)Persero Tbk, Singapore Branch
- Punjab & Sind Bank
- Punjab National Bank
- RBL Bank Limited
- South Indian Bank Limited
- Standard Chartered Bank
- State Bank of India
- SBM Bank (India) Limited
- Sumitomo Mitsui Banking Corporation
- The Hongkong and Shanghai Banking Corporation Limited
- The National Bank of Ras Al Khamirah
- The Zoroastrian Co-operative Bank Limited
- The Federal Bank Limited
- UCO Bank
- Union Bank of India
- Woori Bank
- Yes Bank Limited

Shriram Transport Finance Company Limited (STFC) is the flagship company of Shriram Group – a diversified group with interests in financial services viz. Commercial vehicle finance, Consumer Finance, life and general insurance, stock broking, chit funds and distribution of financial products such as life and general insurance products and units of mutual funds.

Established in 1979, STFC is an asset financing Non-Banking Finance Company.

Headquartered in Mumbai, STFC has played a credible role in financial inclusion of millions of First Time Buyers (FTBs) and driver-turned-owner (DTO) by offering affordable finance on pre-owned commercial vehicles (CVs).

A professionally managed company, STFC has fostered the culture of entrepreneurship across all levels in the organization. Presently, the company is driven by **24,452** employees (including business team ~19,000) championing a unique "relationship-based" business model through a pan-India network comprising **1,817** branches, **820** rural centers and partnerships with ~**500** private financiers.

STFC, being a pioneer in pre-owned CV segment, has institutionalized its expertise in loan origination, valuation and collection. Over the years, STFC has created "an ecosystem of empowerment" by expanding its products and services to encompass similar asset classes (pre-owned and new commercial and passenger vehicles, tractors, 3 wheelers, multi-utility vehicles, etc.) and ancillary services (finance for working capital, engine replacement, small business finance loans, tyre-loans and fuel loans as holistic financing support).

STFC is listed on the BSE Ltd (stock code: 511218) and the National Stock Exchange of India Ltd (stock code: SRTRANSFIN). Its market capitalization as on March 31, 2021 stood at **Rs. 35,950 crores**.

PERFORMANCE IN NUMBERS

STANDALONE BASIS

Assets under management stands at **Rs. 117,243** crores

Securitisation done during the year **Rs. 13,622** crores

Total income for the year **Rs. 17,436** crores

Profit after tax for the year **Rs. 2,487** crores

Net interest income for the year **Rs. 8,167** crores

Earnings per share for the year **Rs. 100.97**

ANNUAL

PERFORMANCE TRENDS STANDALONE BASIS

ASSETS UNDER MANAGEMENT (Rs. crores)

TOTAL INCOME (Rs. crores)

NET INTEREST INCOME (Rs. crores)

NET PROFIT (Rs. crores)

** Figures as per IGAAP. # Figures as per Ind AS.*

EPS (BASIC) (Rs.)

NPA/STAGE 3 (%)

** Figures as per IGAAP. # Figures as per Ind AS.*

BRANCH NETWORK AS ON MARCH 31, 2021 : 1,817 BRANCHES

List of branches with addresses is available on the Company's website at the web link:
http://www.stfc.in/branch-locator.aspx

Environmental, Social and Governance Report

Our Commitment towards Environment, Social and Governance aspects of our Business

As a responsible corporate citizen, we are committed to the principles of ESG and sustainable development and strive to incorporate these principles in everything that we do. A strong commitment to environmental protection, social development and good governance have not only helped us build a successful business but also supported in creating long-term value for all our stakeholders and the society at large. It is our endeavour to continually identify and assess ESG related concerns and opportunities and implement actions to improve our performance on such matters.

As seen during the recent times, Sustainable Development has emerged as a key focus area for businesses to remain resilient, competitive and successful over a long period of time. The three dimensions of Sustainable Development i.e. Environmental, Social and Governance (ESG) aspects forms the basis on which companies can take actions and measure performance on the long-term value it creates for its stakeholders. The twin concepts of sustainable development and ESG not only help companies identify previously unknown material risks but also new opportunities for growth, market competitiveness and opportunities for creating a positive impact on the nature and society.

The UN Sustainable Development Goals (UN SDGs), as outlined in Agenda 2030, require the public and private sectors to work together at scale in order to achieve sustainable development. We understand the importance of assimilating the sustainable development dimensions of ESG in our business operations as these factors are becoming increasingly significant for the financial sector. The sector has the ability to facilitate long-term positive impacts for the society at large by providing the much-needed financial support for transition to a low carbon economy which will generate livelihoods and enable millions to escape from poverty. Organisations which have incorporated ESG factors in their business have an advantage as the stakeholders have also started focussing on ESG dimensions such as fight against climate change and poverty in India.

ESG considerations are integral for our business and our aim is to promote socio-economic development of the society. We believe in doing our business sustainably, responsibly and in a way that creates positive impact for all our stakeholders. Our product

portfolio is reflective of our beliefs and is designed to focus on providing financing solutions primarily for individuals who are first time buyers / business owners and are engaged in micro, small and medium enterprises across the country. In our pursuit of propagating financial inclusion and advancement, apart from providing loans to first time buyers and small road transport operators at affordable interest rates, we have financing solutions covering all the aspects of a road transportation business.

Environment

We understand the importance of environment and the need to protect it. These thoughts are reflected in our day to day operations as well and we are always aspiring to be an environmentally-friendly organisation. As financing of pre-owned vehicles is an essential part of our business, we have created a checklist of eligibility criteria to ascertain whether the vehicle is environmentally sound, BS VI compliant and fit for usage by our customers. We do not finance vehicles which are more than 12 years old and Pollution Under Control (PUC) certificates are mandatory for all along with a fitness certificate and insurance (to be renewed regularly). We always encourage our employees and customers to use vehicles which run on cleaner fuels and have also launched an initiative to be a paperless office where majority of our loan cycle processes are digital. We have requested our shareholders to opt for soft copies of annual reports and other relevant documents. For payment of interest, dividend, maturity amount of debentures and fixed deposits etc. we make continuous appeal to the investors to give us their bank account details to enable Company to use electronic mediums (like NECS, NEFT, RTGS) of payment / remittance in line with our initiatives for paperless, faster, safer and secure transfer of funds. In the wake of COVID19 pandemic and need for Social Distancing these measures has gained more importance and relevance. Also, we are currently making efforts to switch from paper-based agreements to e-agreements.

Looking at the spread of our offices across the country as well as the nature of our business where electricity is the most integral element required for operating our digital media due to loan processing being transformed from paper-based to digital, we have incorporated energy saving and energy efficiency measures, which also help enable reduction of our carbon footprint, for all our locations. We have started replacement of conventional incandescent lighting fixtures with LEDs and only 5-star rated air conditioner are allowed for usage in offices. Old technology and gadgets with low efficiency are scrapped and more efficient substitutes are installed such as invertors as an alternative of DG Sets and prioritise usage of video conferencing facilities over employee travel.

Additionally, we have designed our loan disbursement policy to be in line with our environment policy to ensure our employees and customers are aware about the essential environmental aspects and undertake initiatives for protection of their surrounding areas.

Social

We started our journey in the year 1979 to serve the aspirations of the perceived underserved and often neglected financially disadvantaged population of our country. We envisaged creation of a financially independent society where aspirations of individuals to become an entrepreneur in order to bring prosperity, social status and prestige for their family are fully realized. We understood that those who needs financial aid the most often have the least amount of resources available. The interest rates are often unaffordable, and the service providers are generally not present in all parts of the country. These circumstances motivated us, and we decided to focus on the commercial and passenger vehicles segment. We started providing financial services to small road transport business owners who are first time buyers of used or new commercial vehicles.

Employee Engagement

The value we have created so far for our stakeholders is the result of the hard work and dedication of our employees and without our employees we cannot sustain for a long period of time. Our employees play a critical role when understanding the requirements of customers and to ensure there is a healthy service provider – client relationship we identify local talent. We have in-house facilities designed to identify the local talent and build their capabilities via training, nurturing and leadership development initiatives. Hiring local talent enables us to break language barriers and have a better understanding of the geographic demography required to connect with our diverse customer base.

Young employees performing exceptionally are selected for Future Leadership training based on various performance parameters and such employees are being trained at a regular interval to prepare themselves for leadership roles in future. Employees can enrol for management learning programmes, which are at par with the courses offered at various management education institutes in India, to work upon and build managerial skills. Apart from these, at periodic intervals, we impart induction trainings focusing on products, processes and policies to our new employees while for existing employees we conduct refreshers trainings to communicate recent upgradations in products, processes and policies.

Majority of our senior executives have started their careers with us and our trainings, continuous guidance and mentoring sessions have helped them achieve professional success within the organisation. Identified talents are developed by their Supervisors, Training Team, Review Panels, Seniors, mentors along with virtual classroom sessions and an E-Learning Platform for continuous learning. Employees also access to learning materials in video and pdf formats in their respective employee portal which are available via SMS Links and WhatsApp as well for quick learning.

The Company's low attrition rate is an example of our commitment towards the growth and well-being of our employees. Employees covered under various engagement activities are as below:

Sr. No.	Name of the program	No. of employees Covered (During FY 2020-21)
1	Induction Program	2274
2	Refresher Program	13397
3	E-Learning	All Employees are enrolled
4	Future Leadership Program	50
5	Management Education Scheme	3049

Apart from training, management interacts with the employees in the form of periodical reviews wherein key stakeholders ensure that the employee is well directed and oriented towards the desired learning and performance parameters.

Diversity in Workforce

We have a total workforce of 24,452 employees out of which there are 1,200 permanent women employees and 23 permanent employees with disabilities. Our board of directors also has a woman director while there are three women in key management roles. All our employees covered by health insurance, accident insurance, Maternity benefits, Paternity benefits, Day care facilities.

Customers

Over time, our awareness about various challenges faced by the trucking community of the country has helped us in designing and diversifying our product range to help them overcome these challenges. Also, as a token of our gratitude to our customers and their affiliates, we have initiated various skill development programs for truck drivers to generate livelihood, promote entrepreneurship and create a healthy and safe environment for all.

We maintain trust of our customers by protecting their data and information while delivering fair outcomes for them. Operating with high standards of conduct we also ensure all customer feedback is incorporated across all our products and business lines.

Area of Focus	Action
Improving Customer Service	Endless efforts towards reaching out and expeditiously serving customer expectations digitally up to the satisfaction level of serving physically has been duly recognised as need of the hour. Besides, well drafted and communicated policy and procedures on Grievance redressal mechanism aim at assuming high standards of customer service.
Making our Processes Easier	Customer Service aspect in the company surpasses hierarchical bounds and every employee is empowered to give ideas /suggestions to the management for betterment of processes and customer service, with all deserved recognition. There is an Employee rewards Program serving this cause. We have always been compassionate and thankful in hearing from workforce serving customers through the branch network and expeditiously acting towards the customer relationship aspects.
Enhancing Customer Experience	Usage of chosen vernacular language in our communications, keeping customers updated and enthused through newsletters, technologically connected through mobile applications, etc.

Social Bond Framework

Additionally, we also have developed the Social Bond Framework, under which we issue Social Financing Instruments ("SFI") including, inter-alia, social bond(s), loan(s), private placement(s) and any other debt financing instruments to finance or refinance a portfolio of new and/or existing Eligible Social Projects to promote sustainability. This Framework outlines the criteria and guidelines for the allocation of proceeds as per International Capital Market Association ("ICMA") Social Bond Principles 2018 ("SBP") as permitted by the ECB Guidelines. We have engaged Sustainanalytics for a Second Party Opinion while the Independence Assurance was undertaken by KPMG.

Eligible use of proceeds:

- Provision of financing for Small Road Transport Operators and First Time Buyers from underserved communities across India at favourable interest rates. To exclude vehicles that are used in environmental unfriendly sectors such as extraction, refining, or transportation of coal.
- Provision for suitable financial instruments and supporting services for micro-, small- and medium-sized enterprises in India, in accordance to the definition in India's Micro, Small & Medium Enterprises Development Act, 2006.
- Provision of affordable loans to help communities alleviate income through promoting entrepreneurship from low-income states as defined by World Bank

On 13th of January 2021, we have issued 4.40 % Senior Secured Notes due 2024 (Social Bonds) worth USD 500 Million under the USD Three (3) Billion Global Medium Term Note Programme to the Qualified Institutional Buyers (QIBs) under the Rule 144A of the U.S. Securities Act 1933 and to the eligible investors outside United States under Regulation S of the U.S. Securities Act 1933. The Social Bonds got good response from investors with oversubscription by more than 2 times.

Furthermore, on 31st of March 2021, we have issued USD 225 Million worth Senior Secured Notes (to be consolidated and form a single series with the U.S.$500 Million & 4.40 % Senior Secured Notes due 2024 issued on January 13, 2021) under the USD Three (3) Billion GMTN Programme. These are fully hedged and there is no foreign exchange risk to the Company. The aforementioned Social Bonds are listed on the Singapore Exchange Securities Trading Limited.

Governance

Our Company has an internal governance structure comprising of the Board of Directors which include professionals from diverse disciplines which guide us in enhancing the value we create for all our stakeholders. Senior management personnel, headed by Vice Chairman and Managing Director are entrusted with the day to day management of the affairs, overall supervision, direction and control of the Company. The Board of Directors regularly conduct reviews on the Company's policies, existing goals, performance appraisals, etc. Independent Directors confirm that there is no material, financial and/or commercial transaction(s) between Independent Directors and the Company which may result in potential conflict of interest with the Company at large. Various Board Committees are constituted for the efficient functioning of the Company and all the Committee members are entrusted with the relevant decision-making powers.

These Committees represent various functions our business is segregated into and are constituted as per the applicable legal requirements. They are responsible for enhancement of long-term shareholder value, assisting the management in decision-making and prudent financial management along with maintaining transparency and professionalism across the Company. The Committees are also delegated with the responsibility of achieving excellence in Corporate Governance by conforming to the applicable guidelines and reviewing the existing systems periodically for further improvements.

Full details of the Company's Corporate Governance are presented separately in the Corporate Governance Report of the Annual Report.

As a further reflection of our highest commitment to ESG principles, we have constituted ESG Committee on March 25, 2021. The first ESG Committee meeting was held on April 28, 2021. The terms of reference of the ESG Committee are mentioned in the Corporate Governance Report also forming part of this Report.

It is our constant endeavour to improve the quality of life of the economically weaker sections of the society and help them in achieving financial independence. Keeping this in mind, a separate Business Responsibility Report also forming part of this Annual Report, describes the Company's approach towards creating positive environmental and social outcomes across the nine principles of business responsibility.

Our Commitment to Sustainable Development Goals

Our activities and initiatives on ESG not only create sustained value for the business and our stakeholders, but also contribute to the larger sustainable goals as defined by under the United Nations' Sustainable Development Goals listed below:

For and on behalf of the Board of Directors

S. Lakshminarayanan
Chairman
(DIN: 02808698)

New Delhi
April 29, 2021

Management Discussion and Analysis

OVERVIEW OF INDIAN ECONOMY FY 2020-21

The Indian economy recorded a negative growth rate of 24.4 percent and 7.3 percent in Q1 FY 2021 and Q2 FY 2021 due to lockdown measures. However, the lifting of lockdown measures brought the GDP growth into positive territory of 0.4 percent in Q3 FY2021, which again fell into a negative territory of 1.1 percent in Q4 FY2021 due to the reimposition of certain lockdown type restrictions in certain states. Hence, the overall growth is expected to be in negative territory by 8.0% in FY2021 compared to the growth rate of 4.2 percent in 2019-20. However, agriculture sector growth was estimated at 3.4 percent in FY 2021 due to lower COVID-19 incidence in rural areas and the Government measures to support the sector.

The Index of Industrial Production (IIP) reported a negative growth rate of 11.3% for Apr' 20-Feb'21. However, confidence was evident as a result of the rebound, with several key figures turning favourable. The manufacturing Purchasing Managers Index (PMI) reading turned positive in August 2020 and remained above the expansionary mark of 50 for the balance fiscal. The GST collections rose above the key Rs. 100,000 crores mark in October 2020 and retained the position for each month till March 2021. The number of e-way bills generated increased by 21% in H2FY 2021 to 38.41 crores compared to 31.64 crores in H2FY 2020. Average lead railway freight traffic increased by 5% from 529 km in March 2020 to 556 km in March 2021. The food grain production increased from 2975 lac tonnes in FY 2020 to 3033 lac tonnes in FY 2021.

CPI inflation started increasing from June 2020 and was above the RBI's targeted band of 6% till November 2020. However, it fell in December 2020 due to easing in supply chain restrictions and remained within the 6% band till February 2021. Due to higher crude oil and non-oil product prices, high fuel, and other taxes post-COVID, CPI inflation pressures are still high due to higher operating costs. Professional forecasters surveyed by the Reserve Bank in March 2021 expect CPI inflation to ease from 4.9-5.0 percent in H1:2021-22 to 4.3 percent in Q3 FY 2022 and then revert to 5.0 percent in Q4 FY2022 on the back of the success of vaccination drive and return of economic activity.

Food inflation slowed post December 2020, owing to a drop in vegetable prices and a slowdown in cereal prices. It is expected that a robust Kharif and rabi harvest, continued improvement in supply chains, and a forecasted normal monsoon could further moderate food inflation in FY 2022.

The global crude oil prices rose from an average of US$ 25 per barrel in April 2020 to an average of US$ 65 per barrel in March 2021. This unevenness increased inflation in India; however, it is expected that going forward, the Indian basket of crude price imports will remain stable at US$65 barrel.

The Indian Rupee came under pressure in April 2020 due to flight to safe havens like the US dollar on account of increase in COVID cases. It showed an appreciating bias from December 2020 onwards after being mostly range-bound in May-July due to an increase in portfolio flows and rising indicators of an economic recovery. It again turned volatile in February 2021 due to increased bond yields in advanced economies leading to some flight of portfolio flows.

The rebound in both demand and supply channels, the continued rollout of the vaccine programme, growth-enhancing proposals in the Union Budget, and highly accommodative monetary conditions are all expected to help boost economic activity in the latter half of FY 2022.

India remained a preferred investment destination in FY 2020-21 for foreign investors. Foreign Direct Investment (FDI) inflows were US$ 72.12 billion in Apr-Jan'21, being 15% higher than Apr-Jan'20 on account of policy reforms and ease of doing business. Net FPI inflows into equity and debt were positive Rs 267,101 crores in FY 2021 compared to a negative Rs 27,528 crores in FY 2020 on the back of increased appetite for Indian equities.

Bank credit remained subdued in FY 2020-21 amid risk aversion and muted credit appetite. Non-food bank credit growth recorded a stable rate of 6.5 percent in February 2021 compared to 7.3 percent in February 2020. Credit growth to agriculture and allied activities accelerated to 10.2 percent in February 2021 from 5.8 percent in February 2020. Industry credit was marginally negative at 0.2 percent in February 2021 compared to 0.7 percent in February 2020. Credit growth to the services sector accelerated to 9.3 percent in February 2021 from 6.9 percent in February 2020 on healthy credit growth to trade and transport operators.

On the non-bank financing side, assets under management (AUM) of mutual funds grew by 41% percent to Rs 31.43 lac crores in FY 2021. These funds faced aggressive redemption pressures during the first quarter of the year amid a liquidity crunch in debt markets. However, RBI's special liquidity window for mutual funds helped them to tide over this difficult period. RBI's liquidity-enhancing measures also boosted Commercial Paper (CP) issuances and eased spreads. CP issuances were Rs 17.44 lakh crores in FY 2021, and an easing of rates was observed between July to February 2021. However, in March 2021, interest rates on CPs rose slightly above the reverse repo rate, reflecting the year-end demand for credit.

COVID-19 PANDEMIC

The financial year 2020-21 began with ongoing COVID19 pandemic that led to nationwide lockdown; the first phase started on March 24, 2020, till the second week of April 2020. The lockdown was relaxed in a phased manner depending upon the severity and magnitude of the spread of the pandemic. The Government permitted NBFCs and e-commerce delivery to begin operating, albeit in a limited capacity. Agricultural farming and related businesses, freight movement, and construction activity were allowed in rural areas. During this time, production in special economic zones was permitted, and taxi cab aggregators were authorized to operate in the orange zone. From June onwards, the Government announced a phased reopening. These included prohibitions being lifted on the inter-state and intra-state movement of commodities and people. Besides, most of the operations were authorized in non-containment areas in July, excluding entertainment, leisure, meetings, and educational facilities. From July 2020 onwards, lockdown measures were maintained only in the containment zone. A night-time curfew was enforced in all areas from 10 p.m. to 5 a.m. State borders were reopened, allowing interstate and intrastate travel. Shopping was permitted with more than five people at the same time. The night curfews were lifted in August, and in September, metro rail services and social gatherings were permitted with some restrictions. Corona infections started declining after reaching peak levels in September 2020. Furthermore, the economic recovery accelerated, helped by a strong recovery rate of 96 percent by December 2020.

The second wave of COVID-19 started in February 2021 in Maharashtra, Kerala, Punjab, Madhya Pradesh, Chhattisgarh. It then spread to other states, including the National Capital Region (NCR), leading to the reimposition of various restrictions on the free movement of people by some state governments. The Central Government, in response, rapidly rolled out the vaccine, initially for medical personnel, which was later extended to senior citizens and citizens above 45 years of age.

Government Policy Measures To Combat COVID-19

The Central Government, state governments announced a series of fiscal stimulus measures to support and stimulate economic recovery. The Government announced a Rs 1.70 lac crores relief package under Pradhan Mantri Garib Kalyan Yojana for the poor. The Government also increased its emphasis on the rural economy by raising the minimum support price and increasing the budgetary allocation to the Mahatma Gandhi National Rural Employment Guarantee Scheme, or MGNREGA, to Rs.1 lakh crore. It also announced Rs 30,000 crores additional emergency working capital for farmers to be refinanced by NABARD.

Time limits for filing compliance and return documents under various laws, including The Income Tax Act, CGST Act, and The Companies Act, were extended.

Private sector participation was allowed in the coal sector. In the mining industry, it was declared that blocks would be put up for auction and that stamp duty on mining lease allocation

would be reduced. Foreign direct investment (FDI) ceiling in defence production was increased from 49 percent to 74 percent. Certain arms imports were banned to promote local manufacturing. An Emergency Credit Line Guarantee Scheme of Rs 3 lac crores for eligible MSMEs was announced and further extended till June 2021.

The task force on the national infrastructure pipeline increased India's infrastructure expenditure target for the next five years from Rs.102 trillion to Rs.111 trillion. This is expected to result in additional infrastructure spending in the FY 2022. The Government also sanctioned a PLI policy, or performance related incentive scheme, to stimulate economic growth at the cost of Rs 1.97 lakh crores, with pharma, pharmacy, electronics, and telecom among the major industries involved. The PM Awas Yojana was approved with a budget of Rs 18,000 crores to assist in constructing 12 lakh houses.

In agriculture, the Government announced Rs. 2 lac crore of concessional credit to be extended via the Kisan Credit Cards scheme. The Government further announced the setting up of an Agriculture Infrastructure Fund amounting to Rs. 1 lakh crore for post-harvest farm-gate infrastructure. Three agriculture-related bills were passed by Parliament, which included many amendments such as the unlimited selling of farm produce, farmers unrestricted ability to conduct contract farming, and the abolition of stocking caps on traders for a wide range of commodities. These bills are expected to facilitate enhancement of agricultural production and farm product transportation at the regional and national level.

Reserve Bank of India (RBI) Policy Measures

The RBI also announced various measures. To ensure liquidity to the tune of 4.7 percent of Indian GDP, it took standard and innovative steps. Its measures ensured Indian corporate bond issuances were higher by 11% at Rs 6.8 lac crores. It announced relief measures for MSMEs including new restructuring guidelines to retain loans from banks and NBFCs' to such qualifying MSMEs classified as standard within the regulatory framework. It stated that incremental loans disbursed in low credit flow districts would receive a higher PSL weighting. PSL guidelines were updated to include new forms of renewable energy plants used in agriculture. Bank lending targets for small farmers were revised upwards. RTGS settlements were allowed on a round the clock basis for all days.

The Government and RBI established an SBI Capital Market administered Special Purpose Vehicle (SPV) to acquire eligible NBFCs' short-term papers for repayment of their short-term liabilities.

RBI released draft measures on securitisation proposing allowance of single asset securitisations. Exposures which may be purchased from other lenders was also proposed to allowed for securitisation.

The Reserve Bank of India (RBI) released a draft discussion paper on the revised legislative structure for NBFCs. However, the proposed quantitative norms, such as capital adequacy ratio, regular asset provisioning, and NPA classification, are not expected to have a significant effect on STFC because we are already well above the minimum compliance steps.

FINANCIAL SERVICES -NBFC SECTOR

India's financial services sector comprises of commercial banks/co-operative banks, non-banking financial companies, insurance companies, pension / mutual funds and other various entities. India is expected to be fourth largest private wealth market globally by 2028.

NBFC sector plays important role in financial inclusion by meeting credit needs of retail and MSME sector. NBFC sector provides efficient credit distribution reach to untapped and under-penetrated regions and customer class. NBFCs bring the much needed diversity to the financial sector by providing consumer credit, including automobile finance, home finance and consumer durable products finance, wholesale finance products such as bills discounting for small and medium companies and fee based services such as investment banking and underwriting. NBFCs have carved niche business areas for them within the financial sector space and are also popular for providing customized products. The credit delivery of NBFC sector constituted 11.6 per cent of GDP.

Credit growth (YoY) of the NBFC sector was close to 3 per cent in June 2020. Further, the credit growth contracted in September 2020 with a YoY growth of -6.6 per cent.

Bank credit to the NBFC sector was Rs.7.05 lakh crore in June 2020, Rs 8.0 lakh crores in September 2020 and Rs 7.9 lakh crores in December 2020 and Rs 8.9 lakh crores in February 2021. However, mutual funds lending to NBFCs continued to contract in 2020-21 as well.

The NBFCs with asset size of Rs.100 crore are now eligible for debt recovery under SARFAESI Act and can pursue loan recovery under SARFAESI Act for loans starting at Rs.20 lakhs which was earlier Rs.50 lakhs.

FINANCIAL AND OPERATIONAL PERFORMANCE

(Rs. in Crores)

Sr. No.	Particulars	2020-21	2019-20	Change
1	Total Income (including exceptional items)	17,436.40	16,575.76	5.19%
2	Net Interest Income	8,167.10	8,106.98	0.74%
3	Assets Under Management	117,242.82	109,749.24	6.83%
4	Securitization done during the year	13,622.00	16,581.13	-17.85%
5	Net worth	21,540.73	17,977.52	19.82%
6	Profit after tax	2,487.26	2,501.84	-0.58%
7	Capital Adequacy Ratio	22.50%	21.99%	2.32%
8	Return on total assets	1.98%	2.17%	-8.80%
9	Debt equity ratio	4.92	5.24	-6.06%
10	Net Interest margin	6.70%	7.16%	-6.53%
11	Interest coverage ratio	1.90	1.98	-4.04%
12	Net profit margin	14.26%	15.09%	-5.49%
13	Return on Net Worth	12.59%	14.81%	-15.00%
14	Stage 3 assets	7.06%	8.36%	-15.55%
15	Net stage 3	4.22%	5.62%	-24.91%
16	Return on equity	12.57%	14.71%	-14.55%

During the FY 2020-21, the Stage 3 Assets was 7.06% as compared to 8.36% in FY 2019-20. The Stage 3 Assets net of Stage 3 Provision was 4.22% in FY 2020-21 as compared to 5.62% in FY 2019-20 due to more provision made on stage 3 assets during the year. There are no significant changes in key financial ratios of the Company for FY 2020-21 as compared to FY 2019-20. The return on equity was 12.57% as on March 31, 2021 as against 14.71% as on March 31, 2020 due to additional expected credit loss provision of Rs. 1,681.84 crores for FY 2020-21 on account of COVID-19 impact in the financial statement.

COMMERCIAL AND PASSENGER VEHICLE INDUSTRY

In the financial year FY20-21, there was a de-growth in sales of all segments compared to the previous years. (-) 2.24% for Passenger Vehicles with sales of 27.11 Lakhs units; (-) 13.19% for Two-Wheelers with sales of 151.19 Lakhs units; (-) 20.77% for Commercial Vehicles with sales 5.69 Lakhs units and (-) 66.06% for Three-Wheelers with sales of 2.16 Lakhs units.

The automobile industry produced a total 18,19,692 units including Passenger Vehicles, Three Wheelers, Two Wheelers and Quadricycle in the month of March 2021, as against 10,29,518 units in March 2020 marking a growth of 76.7%.

The Passenger Vehicles sales was 2,90,939 units in March 2021, compared to 135,196 units in March 2020, marking a growth of 115.2%.The Three-wheeler sales was 32,000 units in March 2021 compared to 28,000 units in March 2020 marking a increase by 14.00%. The Two-wheeler sales was 14,97,000 units in March 2021, compared to 867,000 units in March 2020, with a growth of 72.6%.

PRE-OWNED COMMERCIAL VEHICLES

The pre-owned commercial vehicles financing continued to be focus area for the Company ever since its inception. The pre-owned commercial vehicles are affordable to aspiring owner-cum-drivers who are small road transport operators with limited banking habits and credit history for verification of creditworthiness. The market for pre-owned commercial vehicle financing is fragmented and dominated by private financiers in the unorganized sector. The Company has taken initiative to corporatize the pre-owned CV financing business. The Company's key strengths enables providing finance to pre-owned commercial vehicle operators at favourable interest rates and repayment terms as compared to private financiers in the unorganised sector. The credit evaluation techniques, relationship-based approach, extensive branch network and strong valuation skills make the Company's business model unique and sustainable as compared to other financiers. Further, the business model is easily scalable at local levels throughout India. The Company has an established track record of developing and training recruits on the internally developed valuation techniques, substantial customer knowledge and relationship culture the Company have developed over the past four decades. The Company has established its leadership in the segment

and created sustainable competitive advantage through deep understanding of the borrower profile and their credit behaviour.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company believes that strong internal control system and processes play a critical role in the health of the Company. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these processes and systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines which ensure reliability of financial and all other records. The Internal Audit reports are periodically reviewed by the Audit Committee. The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively. The Company's Internal Auditor performed regular reviews of business processes to assess the effectiveness of internal controls. Internal Audits were carried out to review the adequacy of the internal control systems, compliance with policies and procedures. Internal Audit areas are planned based on inherent risk assessment, risk score and other factors such as probability, impact, significance and strength of the control environment. Further, each area processes/sub-processes risks were properly identified with mitigating controls. Its adequacy is assessed and the operating effectiveness was also tested.

HUMAN RESOURCES

The pandemic has brought impactful changes in all our lives highlighting importance of social distancing, wearing of masks, use of sanitizers, maintaining cleanliness to mitigate spread of Corona virus and developing habits of living with the Corona virus, the longevity of which is not yet known. The Company continued to creating awareness amongst employees to strictly follow the Social Distancing protocol and mitigate the health risks during the pandemic by adapting to new methods of efficient working, striking work-life balance, switching to Work From Home (WFH) whenever necessary. The 'Lockdown' gave many new learnings, ideas and experience with respect to effective communication techniques, efficient time management, thereby improving overall efficiency, cost optimization. The importance of focusing on digital payment and use of advanced techniques for customer services has gained much prominence. Our Company is well prepared to adapt and switch to hybrid work culture – a combination of WOF and Work from Office/field, as and when necessary, to face the challenge of dynamic pandemic conditions.

As recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the Company made one time ex-gratia payment equivalent to 15 days salary of employees as a token of appreciation of their commitment to work during challenging pandemic period, involving outgo of Rs. 22 crore.

The total strength of employees as on March 31, 2021 was 24,452. The average age of the employees is about 31 years. For further details, please refer to the Business Responsibility Report.

SWOT ANALYSIS

Strengths

- Pioneer in the pre-owned commercial vehicles financing sector
- Asset Financing Company in India with Pan-India presence with 1,817 branch offices and 800+ Rural centres for deeper penetration
- Unique relationship-based business model with extensive experience and expertise in credit appraisal and collection process
- The entire Loan portfolio is guaranteed either by an existing customer of the Company or by a customer from the CV industry.
- Strong brand name
- A well-defined and scalable organizational structure based on product, territory and process knowledge
- Consistent financial track record with rapid growth in AUMs
- Experienced senior management team
- Strong relationships with public, private as well as foreign banks, institutions and investors,
- 2.12 million customers across India

Weakness

- Business and growth directly linked with the GDP growth of the country
- Company's Customers-SRTOs and FTUs are more vulnerable to negative effects of economic downturn

Opportunities

- Growth in the commercial vehicles, passenger vehicles and tractors market
- Meeting working capital needs of persons in commercial vehicles eco-system
- Partnerships with private financiers for enhancement of reach without significant investments
- Penetration into rural markets for financing cargo light commercial vehicles and Farm equipment
- On boarding customers on technology platform and effectively used for extending credit on their working capital needs and for also enhancing our digital footprint on recovery

- Higher budgetary allocation by the Government to give boost to infrastructure sector involving construction of roads, new airports, ports etc. creating huge demand for Commercial Vehicle
- Cross selling of insurance products, invoice discounting etc.
- Huge opportunity to finance as more and more customers are likely to go for Technology upgradation

Threats

- All risks associated with pandemic
- Competition from captive finance companies, small banks
- Inadequate availability of bank finance and upsurge in borrowing cost

VOLUNTARY VEHICLE SCRAPPAGE POLICY

The Budget for 2021-22 contains a voluntary vehicle scrappage policy aimed at phasing out cars and commercial vehicles older than 20 or 15 years, respectively. The policy's objective is to help in encouraging fuel-efficient, environment-friendly vehicles, thereby reducing vehicular pollution and oil import bill. Under the policy, any private vehicle that's older than 20 years will have to undergo a fitness test.

On March 18, 2021, the Road Transport, Highways and MSMEs Minister unveiled the vehicle scrappage policy in the Lok Sabha, Rules for fitness tests and scrapping centres to be applicable from October 1, 2021, while scrapping of government and PSU vehicles which are older than 15 years to come into effect from April 1, 2022. The mandatory fitness testing for heavy commercial vehicles to be in force from April 1, 2023, and the same will be in place in a phased manner for other categories from June 1, 2024. The scrap value for the old vehicle given by the scrapping center is approximately 4-6% of the ex-showroom price of a new car. OEMs are advised to provide a 5% discount on the purchase of a new vehicle against the scrapping certificate. State governments announced to offer a road tax rebate of up to 25% for personal vehicles and up to 15% for commercial vehicles. Registration fees to be waived off for the purchase of a new vehicle against the scrapping certificate.

RISK MANAGEMENT

The Company is exposed to various risks such as pandemic risk, credit risk, economic risk, interest rate risk, liquidity risk, and cash management risk, technology risks, etc. The Company has an Enterprise Risk Management Framework that involves risk identification, risk assessment, and risk mitigation planning. The pandemic risk was unprecedented and caused many disruptions and uncertainties globally. The Company swiftly activated the Business Continuity Plan to face the challenges of a pandemic. The BCP is reviewed periodically.

The Board of Directors has constituted a Risk Management Committee consisting of the majority of Directors. The terms of reference of the Risk Management Committee include a periodical review of the risk management policy, risk management plan, implementing and monitoring the risk management plan, and mitigation of the key risks. The Risk owners are accountable to the Risk Committee for identifying, assessing, aggregating, reporting, and monitoring the risk related to their respective areas/functions. We have taken Directors and Officers insurance policy cover to mitigate legal risks to directors and senior management.

The Company has taken steps to mitigate the risk of the operation by use of Artificial Intelligence and Machine Learning for automated lending, customer-centric approach, upskilling, and re-skilling of its human resources. Our expertise in credit appraisal and collections developed over the past three decades helps in mitigating credit risk. We lend on a relationship-based model applying advanced credit assessment procedures and maintain regular contact with customers. To reduce operation risk, we continuously monitor our internal processes and systems.

To mitigate liquidity risk, we ensure that the short-term and long-term fund resources are favourably matched with deployment. We resort to long-term funding instruments and securitization. We continue to enjoy the trust and support from our investors, security holders, depositors, banks, and financial institutions, due to our impeccable record in servicing its debt obligations on time.

To mitigate interest rate risk, we have developed innovative resource mobilization techniques. To reduce liquidity risks, we have diversified the source of fundraising and widened the borrowing options to exploit opportunities and appetite in the international market for bonds of reputed Indian companies. We issued US Dollar senior secured notes in the global market, which are fully hedged. We have adopted prudent fund management practices.

The Company's Asset Liability Management Committee regularly reviews, among others, the interest rate and liquidity risks.

We are diversifying our assets portfolio focusing on passenger vehicles and tractors segment. We have also started financing the working capital needs of petrol pumps, tyre dealers, vehicle body builders and workshops forming part of ecosystem of commercial vehicle operations.

In order to mitigate cash management risk associated with collection of loan instalments, we have initiated steps to on boarding our customers on technology platform. Historically, substantial part of our loan recovery was in the form of cash due to peculiar profile and business pattern of our customers. We have effectively used the Digital mode during the initial lock down period and cash component of the collections has significantly dropped during last couple of months. Our loan

instalment collection process is efficient and secured through a robust cash management network. We have been making continuous efforts to achieve efficient cash/cheque collection systems by availing Cash Management Service from private and public sector banks. It is not necessary for our customer to visit our branches to deposit the cash/cheque for making payment of loan instalment. The Customers can visit any of our tie-up banks and deposit money into our account against their Loan accounts.

We ensure that cash collected from our customers by the Field staff is deposited into the Company's Account on same/ next day. We have tied up with Post office in few states for as a part of efficient cash management. We are also working with Fino Money, Airtel. Our Field staff is enabled with MNOVA Mobile Application in which the collections can be accounted. Some of our branches are also equipped with Cash Deposit Machines for the customers. We are educating and encouraging our customers to adopt advanced methods of payment. We have started engaging with the customers actively with Digital mode of collections using our MyShriram Mobile Application. We have enabled various modes including BBPS (Wallets) through which the customer can make the payment against his/her Loan accounts. We have also collected NACH mandates from some of the customers. The NACH mandates are sent to the Bank on respective due dates with an intimation to the customers. We have adopted stringent checks and internal controls across all branches. At the regional level, the branch collections are monitored and reconciled on a daily basis.

FUTURE STRATEGY

The Board has determined the following medium-term and long term strategies to achieve its corporate goals over a period of next 3-5 years:

- Periodical review of pandemic risks, Business Continuity plan, liquidity management
- To focus on digital initiatives to effectively service customers and to educate customers on the digital payment of EMIs
- Effective use and implementation of data analytics in the process of loan disbursement and loan recovery
- Further strengthening the leadership position in financing vehicles
- Further enhancing quality of loan portfolio
- Maintaining customer loyalty through winning relationship and customer satisfaction.
- Promoting Work From Home, innovative method of working culture, employee up-skilling and re-skilling

OUTLOOK

According to the long-range forecast for the monsoon season by the India Meteorological Department (IMD) the southwest monsoon rainfall over India is most likely to be normal. The Company will continue focusing on financing of pre-owned commercial and passenger vehicles, further strengthening its presence, reach and penetration into rural and urban centres through large network of branches and rural centres. The Company's business model offers multiple financing opportunities. The Company would continue to explore various options to strengthen its capital base and balance sheet to augment the long term resources for meeting funding requirements of its business activities, financing the future growth opportunities, general corporate purposes and other purposes including effectively facing challenges of the uncertainties and disruptions caused by COVID-19 pandemic.

The pandemic continues to pose major challenge to the entire world including India. However, it appears that the countries have now learnt the technique of adapting to the new normal- the new way of life. The duration and severity of spread of second wave of pandemic, roll out of two new vaccines (as per the recent announcement made by the Union Health Department) in addition to the existing two vaccines rolled out in February, 2021, the scale and effectiveness of implementation of the ongoing vaccination program and the efficacy of monetary and fiscal policy actions of Indian Government are the important factors to impacting the pace of economic recovery.

CAUTIONARY STATEMENT

This report contains forward-looking statements extracted from reports of Government Authorities / Bodies, Industry Associations etc., available in the public domain, which may involve risks and uncertainties including, but not limited to, economic conditions, government policies, dependence on certain businesses, and other factors. Actual results, performance, or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto. The Company does not undertake to update these statements.

Directors' Report

To the Members,

Your Directors have pleasure in presenting their Forty-Second Annual Report and the Audited Statements of Accounts for the financial year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

(Rs. in crores)

Particulars	2020-21	2019-20
Profit Before Depreciation And Taxation	3,415.37	3,579.72
Less: Depreciation, amortization and impairment	137.36	141.05
Profit Before Tax	**3,278.01**	**3,438.67**
Less: Provision for taxation	790.75	936.83
Profit After Tax	**2,487.26**	**2,501.84**
Add: Balance brought forward from previous year	9,257.73	8,070.47
Balance available for appropriation	11,744.99	10,572.31
Appropriations		
General reserve	248.73	250.19
Statutory reserve	497.46	500.38
Debenture redemption reserve	311.00	235.79
Dividend on equity shares of Rs.10/- each	303.67	272.26
Tax on dividend	-	55.96
Balance carried to Balance Sheet	**10,384.13**	**9,257.73**

CREDIT RATING

The COVID -19 pandemic adversely affected almost all sectors of Indian economy. This led to revision of the Company's Ratings to negative outlook/Credit Watch by the Rating Agencies which felt that the weak macroeconomic environment and post imposition of lockdown by the government, the Company's asset quality would be under pressure.

However, post the moratorium period and with the gradual reopening up of the economy, the monthly collection efficiency jumped to almost 95% in September 2020. This improvement was sustained with collection efficiency crossing 100% in December 2020. During the second half of the Financial Year 2020-21, the Company regained its Ratings to pre-pandemic level due to its sustained earnings profile, improvement in asset quality closer to pre-pandemic level, improvement in month-on-month collection efficiencies, continued strong market position in the pre-owned vehicle finance segment, long track record in the vehicle financing business, understanding of the target customer segment and relationship based lending model.

The restructuring in the loan portfolio was at much lower level than initial estimate of 2.5%. The Gross Stage 3 metrics stood at 8.36% and 7.06% as of March 31, 2020 and March 31, 2021 respectively.

Despite business volumes dropping till the first half of fiscal 2021 and provision of Rs.2,591.48 crores towards Covid related provisioning from Q4FY20 till Q4FY21, the Company's earnings profile remains resilient. This comes on the back of the high yields on the portfolio given the focus of STFCL on pre-owned vehicle financing.

The Company demonstrated its ability to raise funds from diversified resources including Rights Issue of Equity shares, issuance of Senior Secured Notes in the international market under its USD 3 Billion GMTN Programme, issue of Redeemable Non-Convertible Debentures (NCDs) on private placement basis, despite the challenges of weak macroeconomic environment. This fund raising coupled with higher Collections enabled the Company to sustain good liquidity throughout the Financial Year 2020-21. The credit costs, however, had slightly increased to 2.48% from 2.43% for Financial Year 2019-20.

The credit rating positions of the Company was as under:

Name of Rating Agency	Instrument	Pre-pandemic Ratings	Post pandemic Ratings as on March 31, 2020/ June 2020	Ratings as on March 31, 2021
CRISIL	Bank Loan Long Term	CRISIL AA+/Stable	CRISIL AA+/ Negative	CRISIL AA+/Stable
	Bank Loan Short Term	CRISIL A1+	CRISIL A1+	CRISIL A1+
	Long Term Principal Protected Market Linked Debentures	-	CRISIL PP-MLD AA+r /Negative	CRISIL PP-MLD AA+r/Stable
	Non-Convertible Debentures	CRISIL AA+/ Stable	CRISIL AA+/ Negative	CRISIL AA+/ Stable
	Subordinated Debt	CRISIL AA+/Stable	CRISIL AA+/ Negative	CRISIL AA+/Stable
	Short Term Debt	CRISIL A1+	CRISIL A1+	CRISIL A1+
	Fixed Deposit	CRISIL FAAA/ Stable	CRISIL FAAA / Negative	CRISIL FAAA /Stable
India Ratings & Research Private Limited	Non-Convertible Debentures	IND AA+/ Stable outlook	IND AA+/ Rating Watch Negative (RWN)	IND AA+/ Stable outlook
	Structured Non-Convertible Debentures	-	-	Provisional IND AAA (CE)/ Stable
	Structured Non-Convertible Debentures	-	-	IND AAA (CE)/ Stable
	Subordinated Debt	IND AA+ /Stable outlook	IND AA+/RWN	IND AA+/Stable outlook
	Commercial Paper	IND A1+	IND A1+	IND A1+

Name of Rating Agency	Instrument	Pre-pandemic Ratings	Post pandemic Ratings as on March 31, 2020/ June 2020	Ratings as on March 31, 2021
CARE	Non-Convertible Debentures	CARE AA+/Stable	CARE AA+/Negative	CARE AA+/Stable
	Subordinated Debt	CARE AA+/ Stable	CARE AA+/Negative	CARE AA+/ Stable
	Commercial Paper	CARE A1+	CARE A1+	CARE A1+
ICRA	Fixed Deposit	MAA+ with Stable	MAA+ with Stable	MAA+ with Stable
Standard & Poor's Ratings	Long-Term Issuer Credit Rating	BB+/ Stable	BB-/ Watch Negative	BB -/ Stable
	Short-Term Issuer Credit Rating	B	B	B
	Senior Secured Notes	BB	BB-/ Watch Negative	BB-
	Offshore Rupee Denominated Bond (Masala Bond)	BB+	-	-
	U.S. Dollar Senior Secured Notes	BB+	-	BB-
Fitch Ratings	Long-Term Issuer Default Rating	BB + /Stable Outlook	BB Rating Watch Negative	BB Rating /Negative Outlook
	Short-Term Issuer Default Rating	B	B	B
	Senior unsecured Long Term Rating	-	BB Rating Watch Negative	BB Rating /Negative Outlook
	Senior secured Long Term Rating	-	BB Rating Watch Negative	BB Rating /Negative Outlook
	Offshore Rupee Denominated Bond (Masala Bond)	BB +	-	-
	U.S. Dollar Senior Secured Notes	BB +	-	-
	Local Currency Long Term Issuer Default Rating	-	BB Rating Watch Negative	BB Rating /Negative Outlook

DIVIDEND

The Board of Directors approved payment of two interim dividends for the Financial Year 2020-21:- The first interim dividend of Rs. 6/- per equity share of Rs.10/- each fully paid-up (60%) was declared on October 29, 2020 and the second interim dividend of Rs. 6/- per equity share of Rs.10/- each fully paid-up (60%) was declared on March 25, 2021. The first interim dividend and second interim dividend was paid to eligible Members on November 26, 2020 and April 16, 2021 respectively. The total interim dividend involved a cash outflow of Rs.303.67 crores. The interim dividend was paid to Members, subject to deduction of tax at source as per the applicable rate.

The Board of Directors has recommended a final dividend of Rs. 6/- per equity share of nominal face value of Rs.10/- each fully paid up i.e. 60 %, for the Financial Year 2020-21 subject to approval by Members in the ensuing 42nd Annual General Meeting (42nd AGM) of the Company. With this the total dividend for the Financial Year 2020-21 will be Rs. 18/- per share (i.e. 180 %).

The Dividend Distribution Policy forms part of the Corporate Governance Report and is also available on the website of the Company at https://cdn.stfc.in/common/Dividend-Distribution-Policy.pdf .

TRANSFER TO RESERVES

The amounts proposed to be transferred to General Reserve, Statutory Reserve and Debenture Redemption Reserve are

mentioned in the Financial Highlights under the heading 'Appropriations'.

CAPITAL ADEQUACY RATIO

Your Company's total Capital Adequacy Ratio (CAR), as of March 31, 2021, stood at 22.50% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is above the regulatory minimum of 15%. The Capital Adequacy Ratio has improved due to further strengthening of capital through Rights Issue of Equity shares in the month of August, 2020 called Tier 1 Capital.

The Tier 1 ratio as on March 31, 2021 improved to 19.94% as against 18.13% as on March 31, 2020. The company's overall gearing (Debt/Tangible Net-worth) as on March 31, 2021 improved to 5.20x as against 5.45x as on March 31, 2020.

The Tier 2 ratio as on March 31, 2021 was 2.56% as against 3.86% as on March 31, 2020.

OPERATIONS AND COMPANY'S PERFORMANCE

For the Financial Year ended March 31, 2021, your Company earned Profit Before Tax of Rs. 3,278.01 crores as against Rs.3,438.67 crores in the previous Financial Year and the Profit After Tax of Rs. 2,487.26 crores as against Rs. 2,501.84 crores in the previous FINANCIAL YEAR. The total income for the year under consideration was Rs. 17,436.40 crores and total expenditure was Rs. 14,158.39 crores.

Mobilization of funds from following sources/instruments was as under:

(Rs. in crores)

Sr. No.	Particulars	2020-21	2019-20
1	Non-Convertible Debentures – Institutional	5,133.30	2,960.30
2	Term Loans from Banks – Secured	17,650.36	19,121.64
3	Term Loans from Financial Institutions/ corporates – Secured	3,550.00	-
4	Commercial Papers	200.00	4,130.00
5	Fixed Deposit	6,927.36	4,226.21
6	Inter Corporate Deposits	176.90	207.40
7	Non-Convertible Debentures Public Issue- Secured	-	533.61
8	External Commercial Borrowings (Loan)	-	1,636.10
9	U.S. Dollar Senior Secured Notes	5,302.85	8,744.63
10	Cash Credit	4,197.50	784.00

The total Assets Under Management had increased to Rs. 117,242.82 crores from Rs. 109,749.24 crores. During the Financial Year 2020-21, the Company securitized its assets worth Rs. 13,622.00 crores (accounting for 11.62% of the total assets under management as on March 31, 2021) as against Rs. 16,581.13 crores during the Financial Year 2019-20. With securitisation, the Company ensures better borrowing profile, leading to lower interest liability owing to its lending to priority sector as per RBI. The outstanding direct assigned portfolio stood at Rs. 1,051.23 crores as on March 31, 2021.

The Company continued its focus on financing of pre-owned commercial vehicles. The relationship based business model enabled us to maintain the leadership position in the pre-owned commercial vehicles financing segment. For further market penetration, the Company opened 59 new Branches and other offices. With this the total number of Branch and other offices across India has now increased to 1,817.

The Company's judicious liquidity management framework enabled maintaining adequate liquidity throughout the Financial Year 2020-21 to meet its liabilities, despite challenging pandemic conditions and offering moratoriums to its customers.

ISSUE OF SECURITIES

Share Capital

In order to augment capital base, the Company offered through Rights Issue 2,61,78,777 Equity Shares of face value of Rs. 10 each to the Eligible Equity Shareholders on Record Date at Issue price of Rs. 570/- per share (including premium of Rs. 560/- per Equity share) aggregating to Rs.1,492.19 crores (including share issue expenses of

Rs. 19.55 crores), in the ratio of 3 fully paid-up Rights Equity for every 26 Equity Shares held by the Eligible Equity Shareholders on Record Date.

The Company's Rights Issue received good response from Foreign Portfolio Investors, Institutional and retail shareholders/investors and was oversubscribed by 1.65 times of the issue size. The Company received 24,081 applications for 4,31,87,941 shares aggregating to Rs. 2,461.71 crores against 2,61,78,777 shares offered in the Rights Issue. The Rights Issue which was opened on July 16, 2020 was closed on the notified date i.e. July 30, 2020. The Company has received approval from stock exchanges for listing on August 7, 2020 and trading of the Rights Equity shares on August 10, 2020.

The Subscribed and Paid up Equity Share Capital of the Company stood at Rs.253.06 crores consisting of 253,061,513 fully paid-up equity shares of face value of Rs.10/- each as on March 31, 2021.

There was no convertible instrument outstanding as on March 31, 2021. None of the Directors of the Company holds instruments convertible into Equity Shares of the Company.

Issue of U.S. Dollar Senior Secured Notes (Social Bonds)

The Company updated USD 3 Billion Global Medium Term Note (GMTN) Programme on December 24, 2020.

On January 13, 2021, the Company issued USD 500,000,000 4.40 percent Senior Secured Notes due 2024 (Social Bonds) under the USD 3 Billion GMTN Programme to the Qualified Institutional Buyers (QIBs) under the Rule 144A of the U.S. Securities Act 1933 and to the eligible investors outside United States under Regulation S of the U.S. Securities Act 1933.The Social Bonds got good response from investors with oversubscription of >2x.

Further on March 31, 2021, the Company issued USD 225,000,000 Senior Secured Notes (to be consolidated and form a single series with the USD 500,000,000 4.40 per cent Senior Secured Notes due 2024 issued on January 13, 2021) under the USD 3 Billion GMTN Programme.

The proceeds of Senior Secured Notes issued have been (in case of issuance of Social Bonds on January 13, 2021) / are being (in case of issuance of Social Bonds on March 31,2021) utilized by the Company to finance investments in Eligible Social Projects in accordance with International Capital Market Association Social Bond Principles 2018 as permitted by the ECB Guidelines.

The said Social Bonds are listed on the Singapore Exchange Securities Trading Limited. All Senior Secured Notes/Social Bonds issued under the USD 3 Billion GMTN Programme are fully hedged and would not involve any foreign exchange risk to the Company.

FIXED DEPOSITS

As on March 31, 2021, there were 8,897 fixed deposits aggregating to Rs. 106.74 crores that have matured but remained unclaimed. There were no deposits, which were claimed but not paid by the Company. The unclaimed deposits have since reduced to 5,912 deposits amounting to Rs. 60.30 crores. Appropriate steps are being taken continuously to obtain the depositors' instructions so as to ensure renewal/ repayment of the matured deposits in time.

DIRECTORS

Mr. Puneet Bhatia (DIN 00143973), non-executive non–independent director ceased to be Director of the Company on expiry of his tenure on August 19, 2020 as the ordinary resolution for his re-appointment as director retiring by rotation was not passed by requisite majority in the last 41st Annual General Meeting held on 19th August, 2020. The Board of Directors have placed on record its appreciation of the invaluable services rendered by Mr. Puneet Bhatia.

Retirement of director by rotation

Mr. D. V. Ravi (DIN 00171603), non-executive non–independent director of the Company will retire by rotation at the ensuing 42nd Annual General Meeting (AGM) and being eligible, offers himself for re-appointment. Mr. D. V. Ravi is Managing Director of Shriram Capital Limited, promoter of the Company. Mr. D. V. Ravi has wide experience in corporate strategy and services, corporate finance, information technology and process activities of the Shriram Group. His profile is given in the Notice of the 42nd Annual General Meeting, forming part of this Annual Report. The Nomination and Remuneration Committee and the Board of directors recommend to Members passing of the ordinary resolution for re-appointment of Mr. D. V. Ravi as director retiring by rotation.

Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act"), the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along

with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

Policies on appointment of Directors and Remuneration

The management of the Company is immensely benefitted from the guidance, support and mature advice from members of the Board of Directors who are also members of various committees. The Board consists of directors possessing diverse skill, rich experience to enhance quality of its performance. The Company has adopted a Policy on Board Diversity formulated by the Nomination and Remuneration Committee. The Company's Remuneration Policy has laid down a framework for remuneration of Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. These Policies are available on the Company's website at the weblink: https://bit.ly/2QQvCg4 and https://bit.ly/3hREkWC. The Company has formulated policy on Succession Planning for Directors and Key Managerial Personnel for continuity and smooth functioning of the Company.

Number of Meetings of the Board

9 (Nine) Board Meetings were held during the Financial Year. The details of the Board and various Committee meetings are given in the Corporate Governance Report.

Performance evaluation at Board and Independent Directors' Meetings

The Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its various Committees for the Financial Year 2020-21. The evaluation was conducted on the basis of a structured questionnaire which comprises performance criteria such as performance of duties and obligations, independence of judgement, level of engagement and participation, attendance of directors, their contribution in enhancing the Board's overall effectiveness, etc. The Board has expressed their satisfaction with the evaluation process. The observations made during the evaluation process were noted and based on the outcome of the evaluation and feedback of the Directors, the Board and the management agreed on various action points to be implemented in subsequent meetings.

The evaluation process endorsed cohesiveness amongst directors, smooth communication between the Board and the management and the openness of the management in sharing the information with the Board and placing various proposals for the Board's consideration and approval.

The Independent Directors met on January 29, 2021 without the presence of other directors or members of Management. All the Independent Directors were present at the meeting. In the meeting, the independent directors reviewed performance of Non–Independent Directors, the Board as a whole and Chairman. They assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The minutes of the Independent Directors' meeting were placed before the Board Meeting held on March 25, 2021 and the same were noted by the Board.

The Independent Directors expressed satisfaction over the performance and effectiveness of the Board, individual Non-Independent Directors and the Chairman. Considering the unhealthy and stressful background of lockdown the performance of the Managing Director and Chief Financial Officer was found to be outstanding and exemplary in cutting costs, ensuring collections and team building. The Independent Directors also expressed improvement in the flow of information between the company management and the Board. The Management took note of various suggestions made in the meeting of Independent Directors, including IT and Cyber security systems, CSR projects, benchmarking of interest rates on fixed deposits etc.

The Independent Directors played active role in the committee meetings including Audit Committee. The Audit Committee which consists of four independent directors held separate meetings in addition to quarterly meetings to discuss related party transactions, review policies of the Company, approval of Budget for Financial Year 2021-22. The members of the Audit Committee also had separate meetings with joint statutory auditors and Rating Agencies in compliance with the applicable law and SEBI Circular.

KEY MANAGERIAL PERSONNEL

There was no change (appointment/resignation) in the Key Managerial Personnel namely, Managing Director, the Chief Financial Officer and the Company Secretary of the Company during the financial year. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have elevated and re-designated Mr. Umesh Revankar as Vice Chairman and Managing Director with

effect from April 01, 2021. The Board of Directors also elevated and re-designated Mr. Parag Sharma, as Joint Managing Director and Chief Financial Officer, not being part of Board of Directors, with effect from April 01, 2021.

ELEVATION OF SENIOR MANAGERIAL PERSONNEL

Based on recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. S. Sunder, Mr. P. Sridharan, Mr. Sudarshan Holla and Mr. Nilesh Odedara have been elevated as Joint Managing Directors, not being part of Board of Directors, with effect from April 01, 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, the Directors confirm that, to the best of their knowledge and belief:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) That such accounting policies as mentioned in note 1 to 7 to the financial statements have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;

c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts have been prepared on a going concern basis.

e) The Company had followed the internal financial controls laid down by the directors and that such internal financial controls are adequate and were operating effectively.

f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RBI GUIDELINES

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India from time to time.

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report is annexed and forms part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Report for the Financial Year 2020-21 is annexed to this report as **Annexure-I**. The composition of CSR Committee and the details of the ongoing CSR projects/ programs/activities are included in the CSR report/section. The CSR Policy is uploaded on the Company's website at the web link: https://bit.ly/3wnTqHg.

ANNUAL RETURN

In accordance with the provisions of Section 92(3) of the Act, Annual Return of the Company is hosted on website of the Company at https://bit.ly/3vfdL1c

DISCLOSURES AS PER THE SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

Conservation of Energy, Technical Absorption and Foreign Exchange Earnings and Outgo

The information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is as follows:

a. The Company has no activity involving conservation of energy or technology absorption.

b. The Com pany does not have any Foreign Exchange Earnings.

c. Outgo under Foreign Exchange – Rs. 23.29 crores.

Loans, guarantee or investments in securities

The loan made, guarantee given or security provided in the ordinary course of business by a NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such, the particulars of loans and guarantee have not been disclosed in this Report.

During the year under review the Company has invested surplus funds in various securities in the ordinary course of business. For details of the investments of the Company refer to Note 13 of the financial statements.

Contracts or Arrangements with Related Parties

All the related party transactions were entered in ordinary course of business on an arm's length basis. Hence, no disclosure in Form AOC-2 are necessary and the same does not form part of this report. For details of the transactions with related party entered in ordinary course of business on an arm's length basis refer to the Note 50 to the financial statements.

As required under the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is uploaded on the Company's website at the web link: https://bit.ly/3vfdL1c.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission paid to Independent Directors.

Risk Management

The Company's Risk Management Policy deals with identification, mitigation and management of risks across the organization. The same has been dealt with the Management Discussion and Analysis annexed to the Annual Report.

Whistle Blower Policy/ Vigil Mechanism

The Company's Whistle Blower policy provides a mechanism under which an employee/director of the Company may report unethical behaviour, suspected or actual fraud, violation of code of conduct and personnel policies of the Company. The Vigil Mechanism ensures standards of professionalism, honesty, integrity and ethical behaviour. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website: https://bit.ly/3fhTD90.

Financial summary/highlights

Income for the Financial Year 2020-21 increased by 5.19% to Rs.17,436.40 crores as compared to Rs.16,575.76 crores in the Financial Year 2019-20;

Income from operations for the Financial Year 2020-21 was Rs.17,420.45 crores as compared to Rs.16,555.49 crores in the Financial Year 2019-20, a growth of 5.22 %;

Profit before tax for the Financial Year 2020-21 was Rs.3,278.01 crores as compared to Rs.3,438.67 crores in the Financial Year 2019-20;

Profit after tax for the Financial Year 2020-21 was Rs.2,487.26 crores as compared to Rs.2,501.84 crores in 2019-20.

Our interest income increased by 5.29% from Rs.16,267.46 crores in the year ended March 31, 2020 to Rs.17,128.14 crores in the year ended March 31, 2021.

Finance costs increased by 9.48% from Rs.8,270.26 crores in the year ended March 31, 2020 to Rs.9,054.26 crores in the year ended March 31, 2021.

Other expenses increased from Rs.863.20 crores in the year ended March 31, 2020 to Rs. 863.23 Crores in the year ended March 31, 2021.

Our fees and commission income decreased by 40.58 % from Rs. 194.97 crores in the year ended March 31, 2020 to Rs. 115.86 crores in the year ended March 31, 2021.

Internal Financial Control System

The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its systems and undertakes review of policies.

The internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews internal audit reports given along with management comments. The Audit Committee also monitors the implemented suggestions.

Composition of Audit Committee

The Audit Committee comprised of following directors namely, Mr. S. Sridhar – Chairman, Mrs. Kishori Udeshi, Mr. Pradeep Kumar Panja and Mr. S. Lakshminarayanan.

Others

- There were no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company and the date of the Directors' report. The impact of pandemic has been dealt with in the Management Discussion and Analysis annexed to the Annual Report.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future. For other orders, please refer to Note 49 of the financial statement containing details of the contingent liabilities.
- No equity shares were issued with differential rights as to dividend, voting or otherwise.
- No equity shares (including sweat equity shares) were issued to employees of your company, under any scheme.
- The Company has not resorted to any buy back of its equity shares during the year under review.
- There was no change in the nature of business of the Company.
- There was no fraud reported by the Auditors of the Company under the Section 143(12) of the Act to the Audit Committee.
- Your company adopted ISO 27001 standards, practices its processes and upgrade its implementation on regular basis to maintain the information security as per the market trend. The Company is prepared to face emerging cyber threats such as Zero-day attacks, remote access threats and targeted threats. Your Company has various security controls in place to mitigate risks and safeguard the Company against security breaches and technological lapses, including established disaster recovery centres located in different seismic zones, periodic upgrading of servers and data storage, adopting new technology for data management. On regular basis different type of system audits is conducted by the external and internal auditors. Board represented strategy committee governs the security policies and its implementation as per the company corporate governance process.
- The Company has a policy for prevention of Sexual Harassment for Women at Workplace. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH'). During the year under review, there was one case filed under the said Act and it was settled. The Company also conducted an exhaustive video based learning module for all employees from awareness and compliance perspective on POSH.
- Disclosure regarding details relating to deposits covered under Chapter V of the Act is not applicable since our company is a Non-Banking Financial Company regulated by Reserve Bank of India. The Company accepts deposits as per Master Direction - non-banking financial companies acceptance of public deposits (Reserve Bank) Directions, 2016.
- The Company has obtained a certificate from the statutory auditor certifying that the Company has complied with the requirements of the Regulation 9 of the Master Direction – Foreign Investment in India with regard to downstream investments.
- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings, Annual General Meetings and Dividend.

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

CONSOLIDATED FINANCIAL STATEMENTS

There was no entity which became or ceased to be subsidiary, joint venture or associate company of the Company during the financial year ended March 31, 2021.

Shriram Automall India Limited (SAMIL), associate of the Company provides fee-based facilitation services for the sale of pre-owned commercial and passenger vehicles, agricultural and construction equipment, dealer's stock of pre-owned two wheelers, etc. repossessed by banks and financing companies. SAMIL has 89 Automalls located across the Country. As per the unaudited financial statements of SAMIL for the year ended March 31, 2021, its total income from operations and Net Profit was Rs. 158.96 crores and Rs. 25.96 crores respectively, on consolidated basis. The said financial statements of SAMIL will be made available to Members on request. Pursuant to Section 129 of the Act read with Rule 5 to the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statement of associate company in Form AOC 1 forms part of this Annual Report. The consolidated financial statements forming part of this Annual Report are prepared in compliance with the applicable Indian Accounting Standards and Listing Regulations. Pursuant to the provisions of Section 136 of the Act, this Annual Report is available on the website of the Company https://www.stfc.in/investors/annual-reports/.

PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Act, read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Disclosure required as under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **Annexure-II**.

AUDITORS

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 103523W/W100048) and M/s Pijush Gupta & Co. Chartered Accountants, Gurugram (Firm Registration No. 309015E) had been appointed as Joint Statutory Auditors of the Company at the 38th AGM held on June 29, 2017 to hold office from the conclusion of the 38th AGM until the conclusion of the 43rd AGM of the Company.

They have also confirmed that they hold a valid peer review certificate as prescribed under Listing Regulations. The Company seeks approval of Members every year at the Annual General Meeting for payment of remuneration (exclusive of certification fee, goods and services tax and reimbursement of out of pocket expenses) to the Joint Statutory Auditors for the financial year based on recommendation of the Audit Committee and approval of the Board of Directors pursuant to Section 142 and other applicable provisions of the Act.

Reserve Bank of India (RBI) issued guidelines on appointment of statutory auditor (s) by Non-Banking Financial Company (NBFC) vide Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ('Circular'/'Guidelines'). RBI has given flexibility to Non-Banking Financial Companies (NBFCs) to adopt these Guidelines from H2 (second half) of the Financial Year 2021-22 in order to ensure that there is no disruption. Accordingly, the NBFCs shall appoint Statutory Auditors for a continuous period of three years from Financial Year 2021-22.

The current Joint Statutory Auditors of the Company have conducted audit of the accounts of the Company for four consecutive financial years ending March 31, 2021. In order to give time to NBFCs for smooth transition, Finance Industry Development Council (FIDC), a representative body of asset and loan financing NBFCs, has made request to RBI that the Circular be made applicable to NBFCs from April 1, 2022 i.e. from Financial Year 2022-23.

In the event RBI accedes to the request of FIDC, it is proposed that the current Joint Statutory Auditors of the Company will continue to hold their office till such period as may be permitted by the law. In that event, it is proposed that they shall be paid the remuneration for conducting audit of Company's accounts for the full financial year ending March 31, 2022. Otherwise, it is proposed that the Joint Auditors shall be paid remuneration as may be fixed by the Board of Directors of the Company depending upon scope of their work on pro-rata basis for holding the office of Joint Statutory Auditors for part of the Financial year 2021- 22 as mentioned in the resolution at Item Nos.5 and 6 of the Notice of ensuing 42nd Annual General Meeting. The Audit Committee and

the Board of Directors have recommended passing of these resolutions by the Members.

The Auditors' Report to the members for the year under review does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT

Secretarial Audit Report pursuant to the provisions of Section 204 of the Companies Act, 2013 for the financial year 2020-21 issued by Mr. P. Sriram, Practicing Company Secretary (Certificate of Practice No.3310) (Membership No. FCS 4862) is annexed to this report as **Annexure-III**. The report does not contain any qualification, reservation or adverse remark.

CORPORATE GOVERNANCE

Pursuant to Schedule V of the SEBI Regulations the following Reports/Certificates form part of the Annual Report:

- the Report on Corporate Governance;
- the Certificate duly signed by the Vice Chairman & Managing Director and the Joint Managing Director & Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2021 as submitted to the Board of Directors at their meeting held on April 29, 2021;
- the declaration by the Vice Chairman & Managing Director regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct; and
- the Management Discussion & Analysis Report

The Auditors' Certificate on Corporate Governance is annexed to this report as **Annexure-IV**

ACKNOWLEDGEMENT

The Board of Directors would like to place on record their gratitude for the guidance and cooperation extended by Reserve Bank of India and the other regulatory authorities. The Board takes this opportunity to express their sincere appreciation for the excellent patronage received from the Banks and Financial Institutions and for the continued enthusiasm, total commitment, dedicated efforts of the executives and employees of the Company at all levels. We are also deeply grateful for the continued confidence and faith reposed on us by all the Stakeholders including Shareholders, Depositors, Debenture holders and Debt holders.

For and on behalf of the Board of Directors

S. Lakshminarayanan
Chairman
(DIN: 02808698)

New Delhi
April 29, 2021

ANNEXURE - I

PART-1

REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020 – 21

(BOARD'S REPORT FOR FINANCIAL YEAR COMMENCED PRIOR TO 1st DAY OF APRIL, 2020)

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

   The object of CSR Policy of the Company is to continue to contribute towards social welfare projects focusing on providing education, vocational training, promoting health care facilities to economically weaker and underprivileged section of the Society and to do such other activities as may be permissible under Section 135 of the Companies Act, 2013('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014('the Rules'). The Company's CSR policy is available on website of the Company: https://bit.ly/3hgGqyW

   The details of the CSR activities undertaken can be accessed https://bit.ly/3fbjkqx

2. The Composition of the CSR Committee:

Name of the Member	Category
Mr. Umesh Revankar - Chairman	Vice Chairman & Managing Director
Mr. S. Lakshminarayanan	Non Executive-Independent Director
Mr. Pradeep Kumar Panja	Non Executive-Independent Director
(*)Mrs. Kishori Udeshi	Non Executive-Independent Director
(**)Mr. Puneet Bhatia	Non Executive- Non-Independent Director

   (*) Ceased to be member of the committee with effect from March 25, 2021.

   (**)Ceased to be director of the Company with effect from August 19, 2020

3. Average net profit of the company for last three financial years:- **Rs.3145.51 crores**
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): **Rs.62.91 crores**
5. Details of CSR spent during the financial year 2020-21
   (a) Total amount spent in the financial year:- Rs.64.96 crores
   (b) Amount unspent, if any:-Nil

(c) Manner in which the amount spent during the financial year is detailed below :-

Sr. No	Nature of Project	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs Wise (Rs.in crores)	Amount spent on the projects or Programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Rs.in crores)	Cumulative expenditure upto the reporting period (Rs.in crores)	Amount spent: Direct or through implementing agency*
1	**Ongoing Project**	**Education**						
	Ongoing Project	Promoting Primary & Secondary	Education	Pan India	28.0	28.0	28.0	Implementing Agency
	Ongoing Project	School Scholarship Scheme	Education	Pan India	8.90	8.94	8.94	Direct
	Ongoing Project	Higher Education Scholarship Scheme	Education	Pan India	2.75	2.78	2.78	Implementing Agency

ANNEXURE - I
(Contd.)

PART-1 (Contd.)

Sr. No	Nature of Project	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs Wise (Rs.in crores)	Amount spent on the projects or Programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Rs.in crores)	Cumulative expenditure upto the reporting period (Rs.in crores)	Amount spent: Direct or through implementing agency*
	Ongoing Project	Promoting research in mathematics and computer science	Education	Tamilnadu, Chennai	5.00	5.00	5.00	Direct
	Ongoing Project	Single Teacher School	Education	Tamilnadu, Chennai	1.00	1.00	1.00	Direct
2	**Ongoing Project**	**Training & Skill Development**						
	Ongoing Project	Drivers' Training Program	Training and skill development	Maharashtra, Madhya Pradesh, TamilNadu, Chhattisgarh and Odisha Mumbai, Osmanabad, Indore, Madurai, Raipur and Berhampur	3.50	3.55	3.55	Implementing Agency
3	**Ongoing Project**	**Preventive Health Care**						
	Ongoing Project	Mobile Medical Unit & Health Clinic	Preventive Health Care	Karnataka, Odisha, Tamil Nadu, Rajasthan, Maharashtra, Andhra Pradesh, Gujarat, Jharkhand, Assam, West Bengal & Bihar Bangalore, Bhubaneshwar, Chennai, Jaipur, Mumbai, Nagpur, Visakhapatnam, Vapi, Ranchi, Silchar, Guwahati, Hooghly, Kolkata & Patna	8.25	8.28	8.28	Implementing Agency
	Ongoing Project	Blood donation -Indian Red Cross Society	Preventive Health Care	Maharashtra, Mumbai	0.20	0.20	0.20	Direct
	Ongoing Project	Covid-19	Preventive Health Care	Pan India	3.50	3.56	3.56	Direct
4	**Ongoing Project**	**Promotion & development of traditional arts**						
	Ongoing Project	Promotion of art & culture - The South India Club	Preservation of art,culture and heritage	New Delhi	2.00	2.00	2.00	Direct
	Other project	**Any Other Projects Permissable under CSR Rules**						

PART-1 (Contd.)

Sr. No	Nature of Project	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs Wise (Rs.in crores)	Amount spent on the projects or Programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Rs.in crores)	Cumulative expenditure upto the reporting period (Rs.in crores)	Amount spent: Direct or through implementing agency*
5	**Other project**	Miscellaneous expenses	Vocational training, educational awareness program, preventive health care, preservation of art & culture etc.	Pan India	0.14	0.83	0.83	Direct
		Total			63.24	64.14	64.14	
		Overhead expenses			0.71	0.82	0.82	
		Grand Total			**63.95**	**64.96**	**64.96**	

*Shriram Seva Sankalp Foundation, Buddy4study, Terna Public Charitable Trust, DB Skills Foundation, Piramal Swasthya Management and Research Institute were implementing agencies involved in the above projects.

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

   Not Applicable since the Company has spent Rs. 64.96 crores during the financial year 2020 -21 as against the prescribed CSR expenditure of Rs. 62.91 crores as per item 4 of this report.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company :

   The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors
Umesh Revankar
Vice Chairman & Managing Director
(Chairman, CSR Committee)
(DIN :00141189)

Mumbai
April 29, 2021

PART-2

REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020 – 21

(BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1st DAY OF APRIL, 2020)

1. Brief outline on CSR Policy of the Company.

   The object of CSR Policy of the Company is to continue to contribute towards social welfare projects focusing on providing education, vocational training, promoting health care facilities to economically weaker and underprivileged section of the Society and to do such other activities as may be permissible under Section 135 of the Companies Act, 2013('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014('the Rules').

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Umesh Revankar - Chairman	Vice Chairman & Managing Director	2	2
2	Mr. S. Lakshminarayanan	Non Executive-Independent Director	2	2
3	Mr. Pradeep Kumar Panja	Non Executive-Independent Director	2	2
4	(*)Mrs. Kishori Udeshi	Non Executive-Independent Director	2	2
5	(#)Mr. Puneet Bhatia	Non Executive- Non-Independent Director	2	1

   (*) Ceased to be member of the committee with effect from March 25, 2021.

   (#)Ceased to be director of the Company with effect from August 19, 2020

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

   The Composition of CSR committee, Company's CSR policy and CSR projects are available on website of the Company

   Composition of CSR committee: https://bit.ly/3tKOomd,
   Company's CSR policy: https://bit.ly/3hgGqyW and
   CSR projects: https://bit.ly/3fbjkqx

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

   Not Applicable

PART-2 (Contd.)

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (Rs. in crores)	Amount required to be setoff for the financial year, if any (Rs. in crores)
1	2019-20	0.34	Nil
2	2018-19	0.55	Nil
	Total	0.89	

6. Average net profit of the company as per section 135(5) :- **Rs.3145.51 crores**

7. (a) Two percent of average net profit of the company as per section 135(5) :- **Rs.62.91 crores**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: - **Nil**

   (c) Amount required to be set off for the financial year, if any :- **Nil**

   (d) Total CSR obligation for the financial year (7a+7b-7c) :- **Rs.62.91 crores**

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

Total Amount Spent for the Financial Year. (Rs.in crores)	Amount Unspent (Rs.in crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
64.96	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

PART-2 (Contd.)

8. (b) Details of CSR amount spent against ongoing projects for the financial year 2020-21

Sr. No	Type of the Project	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Project duration	Amount allocated for the project (Rs.in crores)	Amount spent in the current financial year (Rs.in crores)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs.in crores)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing agency	
					State	District						Name	CSR Registration Number
1	Ongoing project	Promoting Primary & Secondary education	Education	No	Pan India		3 years	28.00	28.00	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
2	Ongoing project	School Scholarship Scheme	Education	No	Pan India		3 years	8.90	8.94	Not Applicable	Yes	Direct	Not Applicable
3	Ongoing project	Higher Education Scholarship Scheme	Education	No	Pan India		4 years	2.75	2.78	Not Applicable	No	Buddy4Study Foundation	CSR00000121
4	Ongoing project	Promoting research in mathematics and computer science	Education	Yes	Tamilnadu	Chennai	3 years	5.00	5.00	Not Applicable	Yes	Direct	Not Applicable
5	Ongoing Project	Single Teacher School	Education	Yes	Tamilnadu	Chennai	3 years	1.00	1.00	Not Applicable	Yes	Direct	Not Applicable
6	Ongoing project	Drivers' Training Program	Training and skill development	Yes	Maharashtra, Madhya Pradesh, TamilNadu, Chhattisgarh and Odisha,	Mumbai, Osmanabad, Indore, Madurai, Raipur and Berhampur	3 years	3.50	3.55	Not Applicable	No	Terna Public Charitable Trust & DB Skills Foundation	CSR00001159
7	Ongoing project	Mobile Medical Unit & Health Clinic	Preventive Health Care	No	Karnataka, Odisha, Tamil Nadu, Rajasthan, Maharashtra, Andhra Pradesh, Gujarat, Jharkhand, Assam, West Bengal & Bihar	Bangalore, Bhubaneshwar, Chennai, Jaipur, Mumbai, Nagpur, Visakhapatnam, Vapi, Ranchi, Silchar, Guwahati, Hooghly, Kolkata & Patna	4 years	8.25	8.28	Not Applicable	No	Piramal Swasthya Management & Research Institute	CSR00000217
8	Ongoing project	Blood donation -Indian Red Cross Society	Preventive Health Care	No	Maharashtra	Mumbai	3 years	0.20	0.20	Not Applicable	Yes	Direct	Not Applicable
9	Ongoing project	Covid-19	Preventive Health Care	No	Pan India			3.50	3.56	Not Applicable	Yes	Direct	Not Applicable
10	Ongoing project	Promotion of art & culture - The South India Club	Preservation of art,culture and heritage	No	New Delhi		3 years	2.00	2.00	Not Applicable	Yes	Direct	Not Applicable
	Total (b)							**63.10**	**63.31**				

PART-2 (Contd.)

8. (c) Details of CSR amount spent against other than ongoing projects for the financial year 2020-21

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (Rs.in crores)	Mode of Implementation Direct (Yes/No)	Mode of Implementation -Through Implementing agency	
				State	District			Name	CSR Registration Number
1	Miscellaneous expenses	Any Other Projects Permissable under CSR Rules	Yes	Tamilnadu	Chennai	0.04	Yes	Direct	Not Applicable
i	Bhumika Foundation	Vocational training to disabled persons	No	Maharashtra	Mumbai	0.01	Yes	Direct	Not Applicable
ii	Lions Club	Educational awareness program	No	Maharashtra	Mumbai	0.01	Yes	Direct	Not Applicable
iii	Rehabilitation of mentally challenge/ disabled people	Preventive Health Care	No	Karnataka	Belagavi	0.25	Yes	Direct	Not Applicable
iv	Distribution of food supply for transport community	Eradicating hunger	No	Pan India		0.19	Yes	Direct	Not Applicable
v	Donations	Livelihood at rural areas	Yes	Tamilnadu	Chennai	0.01	Yes	Direct	Not Applicable
vi	Sri Shanmukhananda Fine Arts & Sangeetha Sabha	Preservation of art & culture	No	Maharashtra	Mumbai	0.14	Yes	Direct	Not Applicable
vii	Project Mumbai	Donation for data cards to students	No	Maharashtra	Mumbai	0.02	Yes	Direct	Not Applicable
viii	Mobile Medical Unit	Preventive Health Care	No	Uttar Pradesh	Prayagraj	0.16	Yes	Direct	Not Applicable
	Total (c)					**0.83**			

(d) Amount spent in Administrative Overheads Rs.0.82crores

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) Rs. 64.96crores

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. in crores)
i)	Two percent of average net profit of the company as per Section 135(5)	62.91
ii)	Total amount spent for the Financial Year	64.96
iii)	Excess amount spent for the financial year [(ii)-(i)]	2.05
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.05

PART-2 (Contd.)

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (Rs.in crores)	Amount spent in the reporting Financial Year (Rs. in crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6) , if any			Amount remaining to be spent in succeeding financial years (Rs. in crores)
				Name of the fund	Amount (Rs. in crores)	Date of transfer	
1	2019 - 20	Nil	53.16	Not Applicable	Nil	Not Applicable	Nil
2	2018 - 19	Nil	40.05	Not Applicable	Nil	Not Applicable	Nil
3	2017 - 18	Not Applicable	18.81	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Total		112.02				

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

1	2	3	4	5	6	7	8	9
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (Rs. in crores)	Amount spent on the project in the reporting Financial year (Rs. in crores)	Cumulative amount spent at the end of the reporting financial year (Rs. in crores)	Status of the project (Completed/ Ongoing)
	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). **Not Applicable.**

(a) Date of creation or acquisition of the capital asset(s).
(b) Amount of CSR spent for creation or acquisition of capital asset.
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

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

Not Applicable since the Company has spent Rs.64.96 crores during the financial year 2020 -21 as against the prescribed CSR expenditure of Rs.62.91 crores.

For and on behalf of the Board of Directors
Umesh Revankar
Vice Chairman & Managing Director
(Chairman, CSR Committee)
(DIN :00141189)

Mumbai
April 29, 2021

Details Pertaining to Remuneration as required under section 197(12) of the Companies Act 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) (a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director for the Financial year 2020-21:-

Name of Independent Directors	Category	*Remuneration for FY 2019-20 (Rs. in crs)	*Remuneration for FY 2020-21 (Rs. in crs)	% Increase in Remuneration in FY 2020-21	Ratio of Remuneration of each Director to Median Remuneration of Employees
(i)	(ii)	(iii)	(iv)	(v)= (iv)- (iii)	(vi)
Mr. S. Lakshminarayanan Chairman	Non-Executive	0.08	0.10	33.33	3.41x
Mrs. Kishori Udeshi	Non-Executive	0.08	0.10	33.33	3.41x
Mr. S. Sridhar	Non-Executive	0.08	0.10	33.33	3.41x
Mr. Pradeep Kumar Panja	Non-Executive	0.08	0.10	33.33	3.41x

*Excludes Sitting fees. The Independent directors are entitled to Sitting fees and commission as per the statutory provisions and within the limit approved by the Shareholders. The Non-executive Non-Independent Directors did not receive any remuneration from the Company.

(b) The percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary in the Financial year 2020-21:-

Name of Key Managerial Personnel	Category	Remuneration for FY 2019-20 (Rs. in crs)	*Remuneration for FY 2020-21 (Rs. in crs)	% Increase in Remuneration in FY 2020-21	Ratio of Remuneration of each Director to Median Remuneration of Employees
*Mr. Umesh Revankar	Managing Director & CEO	1.10	0.97	(12.08)	32.92
Mr. Parag Sharma	Chief Financial Officer	0.63	0.57	(9.83)	Not Applicable
Mr. Vivek Achwal	Company Secretary	0.50	0.48	(2.68)	Not Applicable

* (The above figures do not include post-retirement benefits.)

I. In the Financial year 2020-21, there was a drop of 2.83 % in the median remuneration of the employees

II. There were 24452 permanent employees on the role of Company as on March 31, 2021.

III. For employees other than Managerial Personnel who were in employment for whole of the Financial Year 2019-20 and Financial Year 2020-21, the average increase in the remuneration was 5.87 %. The average decrease in remuneration for Managerial Personnel in Financial year 2020-21 was 1.04 %, due to voluntary salary cut taken by certain senior employees, from 1st April, 2020 in order to promote cost consciousness in the wake of COVID -19.

IV. It is hereby affirmed that the remuneration paid to the Directors, Key Managerial Personnel and employees is as per the Remuneration policy of the Company.

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To

The Members

Shriram Transport Finance Company Limited

CIN: L65191TN1979PLC007874

Sri Towers, Plot No. 14A, South Phase,

Industrial Estate, Guindy,

Chennai 600032

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shriram Transport Finance Company Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

1) The Companies Act, 2013 (the Act) and the rules made there under;

2) The Securities Contracts(Regulation) Act, 1956 ('SCRA') and the rules made there under;

3) The Depositories Act, 1996 and the Regulations and Bye-laws framed;

4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;

5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   g) The Securities and Exchange Board of India(Buy-Back of Securities) Regulations, 2018;

6) Reserve Bank of India Act, 1934;

7) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

8) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016

9) Master Direction - External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers as amended.

10) Master Direction - Information Technology Framework for the NBFC Sector

11) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

12) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016.

I have also examined compliance with the applicable clauses of the following:

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

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

I have examined the systems and processes of the Company in place to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws on the operation of the Company and the rules made thereunder.

I further report that during the audit period apart from the instances mentioned hereunder, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.,

(i) Issuance of Equity Shares for an aggregate amount of Rs. 1492.19 Crores by way of Rights Issue.

(ii) The Company had received an Order from Directorate of Enforcement, Southern Regional Office Chennai in accordance with the Provisions of the Foreign Exchange Management Act 1999 vide Order no SDE/SRO/CEZO-I/02/2020(SK) dated March 4, 2020 imposing a penalty of Rs. 50,000,000 (Five Crores) for the Company and has also levied a penalty of Rs. 5,000,000, each on the then three directors of the erstwhile Shriram Holdings (Madras) Private Limited, which includes a non-independent director of the Company. In this regard as on date of this report following are the further developments.

i. The Company had filed a writ petition dated June 4, 2020 before the High Court of Madras, requesting, interalia, for a stay of the order dated March 4, 2020. On July 1, 2020, the Hon'ble High Court of Madras has admitted the Company's writ petition challenging the order dated March 04, 2020 of the Directorate of Enforcement (ED) and granted conditional stay order with the direction to the Company to deposit 25% of the penalty amount in the Court and the three directors to deposit 10% of their respective penalty amounts. The Company & three directors has deposited the amount with the Hon'ble Madras High Court.

ii. The Deputy Legal Adviser, Enforcement Directorate has filed an appeal dated October 6, 2020 before the Hon'ble Appellate Tribunal for Foreign Exchange, New Delhi (**"Appellate Tribunal"**) against the said order dated March 4, 2020 of the Special Director of Enforcement to seek appropriate legal remedy.

iii. The Company and three Directors on March 6, 2021 had received demand notices issued by Enforcement Directorate dated February 24, 2021, referring to its order of March 4, 2020 stating that payment has not been made as per the terms of the said order. The Company and three directors had provided their response on March 11,2021 to the said demand notice pointing out that the said Order has already been stayed by the Hon'ble Madras High Court. The Company requested the Deputy Legal Advisor, Enforcement Directorate to withdraw his Demand Notice.

P. Sriram
P. Sriram & Associates
FCS No. 4862/C P No: 3310
UDIN: F004862C000211959
PEER REVIEW NO: S2011TN155200

Place: Chennai
Date: April 29, 2021

This Report is to be read with my testimony of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To
The Members
Shriram Transport Finance Company Limited

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the Company had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

P. Sriram
P. Sriram & Associates
FCS No. 4862/C P No: 3310
UDIN: F004862C000211959
PEER REVIEW NO: S2011TN155200

Place: Chennai
Date: April 29, 2021

Pijush Gupta & Co.
Chartered Accountants
GF – 17 Augusta Point , Golf Course Road, Sector – 53
Gurugram – 122002

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

To
The Members
Shriram Transport Finance Company Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated 29th September, 2020.
2. We have examined the compliance of conditions of Corporate Governance by Shriram Transport Finance Company Limited ('the Company'), for the year ended March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2021.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

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

For Pijush Gupta & Co.
Chartered Accountants
ICAI Firm Registration No.309015E

Pijush Kumar Gupta
Partner
Membership No. 015139
UDIN: 21015139AAAAAW1457

Place: Gurugram
Date: April 29, 2021

Report on Corporate Governance

The Report for the financial year ended March 31, 2021 on compliance by the Company with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below.

The Company's philosophy on Corporate Governance is aimed at (a) enhancing long term shareholder value through assisting the top management in taking sound business decisions; and prudent financial management. (b) achieving transparency and professionalism in all decisions and activities of the Company (c)achieving excellence in Corporate Governance by conforming to the prevalent guidelines on Corporate Governance, and excelling in, wherever possible and reviewing periodically the existing systems and controls for further improvements.

BOARD OF DIRECTORS

The Company has put in place an internal governance structure. The Board of Directors of the Company consists of professionals from varied disciplines. The day to day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Vice Chairman and Managing Director, who functions under the overall supervision, direction and control of the Board of Directors ("the Board") of the Company. The Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances with the goals and control functions, etc. In order to facilitate the day-to-day operations, the Board constitutes from time to time various committees and delegated necessary powers to the Committees. The Board has also delegated certain powers of day-to-day management of affairs of the Company to the Vice Chairman and Managing Director relating to operational matters. The Board thus exercises close control over the overall functioning of the Company with a view to enhance the stakeholders value.

The Independent Directors have made disclosures confirming that there are no material, financial and/or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large.

BOARD MEETING AND PROCEDURES

1. The notes on Agenda setting out the business to be transacted at the Board Meeting, were sent to each Director seven days before the date of the Board Meeting. The financial results were generally tabled at the Board meeting held as and when necessary. In view of COVID-19 pandemic and to adhere to the lockdown and social distancing norms, all the Board Meetings and 41st Annual General Meeting of the Company were held during the financial year through video conferencing ("VC") or other audio-visual means ("OAVM"). During the financial year the Board of Directors also passed some resolutions by circulation on September 7, 2020.

In case of Committee meetings majority meetings, were held through VC/OAVM except Banking and Finance Committee and Securities Transfer Committee meetings. The yearly calendar of the meetings is finalized before the beginning of the year.

During the year under review, nine meetings of the Board of Directors were held on April 20, 2020, June 10, 2020, June 15, 2020, August 13, 2020, August 19, 2020, October 08, 2020, October 29, 2020, January 28, 2021 and March 25, 2021. The necessary quorum was present for all the meetings.

The maximum gap between any two meetings was not more than one hundred and twenty days. As mandated by proviso under Regulation 17A(1) of the Listing Regulations as of March 31, 2021, none of the Independent Directors of the Company served as an Independent Director in more than seven listed entities and as per Regulation 26 of Listing Regulations none of Directors is a member of more than ten Committees or acting as Chairperson of more than five Committees of the companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors. The names and categories of Directors, their attendance at Board Meetings held during the Financial Year and at the last Annual General Meeting (AGM), number of Memberships/Chairmanships of Directors in other Boards and Committees of Board, Category of directorship and names of listed entities where person is a director are as follows:

COMPOSITION OF BOARD

The Company's policy is to maintain an optimum combination of Executive and Non-Executive/Independent Directors. The composition of Board of Directors is given in the table below and is in conformity with Regulation 17(1) of the Listing Regulations and other applicable regulatory requirements.

Name of the Director and Category of Directorship	No. of Board Meetings attended during the F.Y. 2021	Whether attended the last AGM held on August 19, 2020	Total no. of Direc-torships	Member-ships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of director-ship and Names of listed entities where person is a director.
Mr. S Lakshminarayanan Chairman Non-Executive Independent Director DIN: 02808698	9	Yes	3	1	1	Nil
Mr. Umesh Revankar Executive, Vice Chairman and Managing Director DIN: 00141189	9	Yes	5	3	0	Nil
(#)Mr. Puneet Bhatia Non-Executive Non-Independent Director DIN: 00143973	5	Yes	#	#	#	#
Mrs. Kishori Jayendra Udeshi Non-Executive Independent Director DIN: 01344073	9	Yes	7	4	2	Non-executive Independent Director (i) ION Exchange (India) Limited; (ii) HALDYN Glass Limited; (iii) Thomas Cook (India) Limited; (iv) ELANTAS Beck India Limited; and (v) Kalyan Jewellers India Limited.

Name of the Director and Category of Directorship	No. of Board Meetings attended during the F.Y. 2021	Whether attended the last AGM held on August 19, 2020	Total no. of Direc-torships	Member-ships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of director-ship and Names of listed entities where person is a director.
Mr. Ignatius Michael Viljoen Non-Executive and Non-Independent Director DIN: 08452443	9	Yes	1	0	0	Non-executive Non Independent Director Shriram City Union Finance Company Limited.
Mr. Sridhar Srinivasan Non-Executive Independent Director DIN: 00004272	9	Yes	7	1	4	Non-executive Independent director i) Jubilant Pharmova Limited ii) Strides Pharma Science Limited
Mr. D. V. Ravi Non-Executive Non-Independent Director DIN:00171603	9	Yes	3	1	0	Nil
Mr. Pradeep Kumar Panja Non-Executive Independent Director DIN: 03614568	9	Yes	4	5	3	Non-executive Independent director i) Trigyn Technologies Limited ii) Brigade Enterprises Limited iii) The Karnataka Bank Limited

Notes:

1. In the above table, the total number of Directorships of a Director excludes his/her Directorships in the Company, Section 8 Company, Private Limited Companies and Foreign Companies.
2. The Memberships and Chairmanships of Directors in Committees do not include their Memberships and Chairmanships in the Company.
3. None of the above Directors are related inter- se.
4. Non-Executive Directors of the Company do not hold any shares and convertible instruments in the Company.
5. (#)Mr. Puneet Bhatia, Non-Executive Non-Independent Director, ceased to be Director of the Company on expiry of his tenure on August 19, 2020.

The Board evaluates its composition to ensure that the Board has the appropriate mix of skills, expertise, experience and knowledge for its continued effectiveness and serving the Company's governance and strategic needs. The Directors possess necessary experience, skills and ability relevant to the Company's business and affairs.

The following Table give details of the skills/expertise/competence identified by the Board of Directors pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h)(ii) of Listing Regulations and currently available with the Board.

Name of Director	Skills / Expertise / Competence of Directors						
	Leadership knowledge of Financial Service and Banking Industry	Strategic & Business Planning	Governance, Ethics & Regulatory Oversight	Audit & Risk Management	Sustainability	Human Resource	Information Technology knowledge
Mr. S Lakshminarayanan Chairman, Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Umesh Revankar Vice Chairman & Managing Director	✓	✓	✓	✓	✓	✓	✓
Mrs. Kishori Jayendra Udeshi Independent Director	✓	✓	✓	✓	✓	✓	
Mr. Sridhar Srinivasan Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Pradeep Kumar Panja Independent Director	✓	✓	✓	✓		✓	✓
Mr. D. V. Ravi Non-Executive and Non-Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Ignatius Michael Viljoen Non-Executive and Non-Independent	✓	✓		✓	✓		

The brief profiles of Directors are also available on the website of the Company https://bit.ly/3hq1Sl6

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board the independent directors fulfill the conditions as specified in the Listing Regulations and are independent of the management.

MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met on January 29, 2021 without the presence of Executive Directors or members of management. The meeting was attended by all the Independent Directors. In the meeting, the Independent Directors reviewed performance of Non-Independent Directors, Board as a whole, Chairman and every Independent Directors. The Directors were evaluated on parameters such as functioning of the Board, frequency of meetings of the board and committees of directors, level of participation of directors at the board and committee meetings, independence of judgments, performance of duties and obligations by directors, implementation of good corporate governance, safeguarding the interest of all other stakeholders. They assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The Independent Directors were satisfied with the overall functioning of the Board, its various Committees and with the performance of other Executive and Non-Executive directors. They placed on record appreciation of the outstanding and exemplary performance of the Managing Director in cutting costs, ensuring collections and team building in spite of the unhealthy and stressful background of lockdown due to COVID-19 pandemic.

FAMILIARIZATION PROGRAMME

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the Company. During the Financial Year 2020-21, the independent directors were updated from time to time on continuous basis on the significant changes in the regulations including those pertaining to corporate social responsibility, decriminalization of certain offences, duties and responsibilities of Independent Directors under the Companies Act 2013, SEBI regulations including prohibition of insider trading regulations, RBI directions and packages to mitigate impact of COVID-19 on small borrowers, business continuity plan etc. The external experts were invited to give presentation and updates on Indian economy and impact of COVID-19 on businesses in general and NBFC sector in particular. The Company conducted 11 programs/meetings during the financial year 2020-21 and the time spent by Independent Directors was in the range of 10-11 hours. The cumulative programs / meetings conducted till date were 44 and the time spent by Independent Directors was in the range of 37-40 hours. Pursuant to Regulation 46 of Listing Regulations the details of Familiarization Programme is uploaded on the Company's website at the web link: https://bit.ly/3vYD7jQ

POLICY FOR PROHIBITION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has adopted Prohibition of Insider Trading Code and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Code also provides for pre-clearance of transactions by designated persons.

COMMITTEES OF DIRECTORS

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act 2013 ('the Act') and Regulation 18 read with Part C of the Schedule II of the Listing Regulations. All the members of the Committee have wide experience in fields of Banking & Finance, Accounts, Regulatory and Financial service industry.

Terms of reference

The terms of reference of the Audit Committee, inter alia includes:

1. Overseeing the financial reporting process.
2. To ensure proper disclosure in the Quarterly, Half yearly and Annual Financial Statements. To recommend appointment, re-appointment of auditors, fixing of their remuneration and approval of payment to auditors for any other services rendered by them.
3. Reviewing, with the management, the Financial Statements before submission to the Board.
4. Reviewing the adequacy of internal audit function.
5. Reviewing the findings of any internal examinations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
6. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
7. To discuss with the management, the senior internal audit executives and the auditor/s the Company's major risk exposures, guidelines and policies.
8. To review the functioning of the Whistle Blower Mechanism.
9. Approval of appointment of CFO (i.e., the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
10. Review and monitor the Auditor's independence, performance and effectiveness of audit process.
11. Approval or any subsequent modification of transactions of the Company with related parties and granting omnibus approval to related party transactions which are in the ordinary course of business and on an arm's length basis and to review and approve such transactions.
12. Scrutiny of inter-corporate loans and investments.
13. Valuation of undertakings or assets of the Company, wherever it is necessary.
14. To review the Financial Statements, in particular, the investments made by the Unlisted Subsidiary Company. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the year, the Audit Committee was re-constituted and Mr. S Lakshminarayanan, Non- Executive Independent Director, was co-opted as member of the Audit Committee with effect from January 28, 2021.

The Company has an Internal Audit Department which is headed by a qualified Chartered Accountant, who is responsible for conducting independent Internal Audit. The Internal Auditor reports directly to the Audit Committee of the Board.

During the year under review, seven meetings were held on June 10, 2020, August 13, 2020, October 08, 2020, October 29, 2020, November 27, 2020, January 28, 2021 and March 30, 2021. The maximum gap between any two meetings was not more than one hundred and twenty days. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Sridhar	Chairman	7
Mrs. Kishori Udeshi	Member	7
Mr. Pradeep Kumar Panja	Member	7
(#)Mr. S Lakshminarayanan	Member	1
(*)Mr. Puneet Bhatia	Member	2

(#) Mr. S Lakshminarayanan, Non-Executive Independent Director, has been appointed as a Member of the Committee with effect from January 28, 2021.

(*)Mr. Puneet Bhatia, Non-Executive Non-Independent Director, ceased to be Director of the Company on expiry of his tenure on August 19, 2020.

The Company Secretary acts as the Secretary for the Audit Committee. The Statutory Auditors, Internal Auditor, the Vice Chairman & Managing Director, Heads of Finance and Accounts Department are also invited to attend the meeting.

On March 25, 2021, the Committee held separate one-to-one meeting with the Joint Statutory Auditor but without the presence of the Managing Director and other management representatives.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) has been constituted by the Board as per the requirements of the provisions of Section 178 of the Act and Regulation 19 read with Part D of the Schedule II of the Listing Regulations.

Terms of reference

The terms of reference of the NRC, inter alia includes: Refer Page no. 25 in the Directors' Report.

During the year, the Committee met four times on April 29, 2020, August 19, 2020, January 09, 2021 and March 25, 2021. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mrs. Kishori Udeshi	Chairperson	4
Mr. S. Lakshminarayanan	Member	4
Mr. Pradeep Kumar Panja	Member	4
(*)Mr. Puneet Bhatia	Member	1

*Mr. Puneet Bhatia, Non-Executive Non-Independent Director, ceased to be Director of the Company on expiry of his tenure on August 19, 2020.

CRITERIA FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The criteria and manner for evaluation of performance of Independent Directors provide certain parameters like board composition & quality, commitment to the Company's vision, level of participation at Board/Committee Meeting, level of engagement and contribution, Independence of judgment, understanding duties, responsibilities, qualifications, disqualifications and liabilities as an independent director, up-to-date knowledge / information pertaining to business of the Company in which the Company is engaged in, implementation of good corporate governance practices, enhancing long term shareholders' value, professional approach, openness to ideas, providing guidance and counsel to senior management in strategic matters and rendering independent and unbiased opinion at the meetings etc., monitoring the company's internal controls & review compliance Reports on applicable laws, regulations and guidelines.

The Board completed the performance evaluation of directors as per requirement of law and made a few observations. The Independent directors fulfilled the requirement of independence as laid down in the Act and Listing Regulations and are independent of management.

REMUNERATION OF INDEPENDENT DIRECTORS

Independent Directors of the Company were paid sitting fees Rs. 50,000/- for every meeting of Board, Rs. 25,000/- for every Committee meeting and Rs. 15,000/- for every meeting of Independent Directors attended by them.

The Company is being benefited from the expertise, advice and inputs provided by the Independent Directors. The Independent Directors devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time. With effect from January 28, 2021, the Board had approved following sitting fees to be paid to Independent Directors:–

Sitting fees Rs. 1,00,000/- for every meeting of Board, Rs. 50,000/-for every Audit Committee meeting, Rs. 35,000/- for every Committee meeting and Rs. 35,000/- for every meeting of Independent Directors attended by them.

No sitting fees are paid to Non-Independent Directors. Equal commission is being paid to all Independent Directors. The shareholders of the Company in their 38th Annual General Meeting held on June 29, 2017 have approved payment of commission to Independent Directors subject to the statutory limits. The Board on January 28, 2021 had approved Rs 10,00,000/- (Rupees Ten lacs only) as commission to be paid to each Independent Directors financial year ended March 31, 2021.

REMUNERATION OF VICE CHAIRMAN & MANAGING DIRECTOR:

Refer Remuneration Policy uploaded on the Company's website https://bit.ly/3fhTD90.

The details of sitting fees/remuneration paid to the Directors during the year 2020- 2021 are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Meetings (Rs.)	Salary, Perquisites & ESOS (Rs.)	Commission (to be paid) (Rs.)	Total (Rs.)
1	Mr. S. Lakshminarayanan (Chairman)	8,55,000	-	10,00,000	**18,55,000**
2	(#)Mr. Umesh Revankar (Vice Chairman & Managing Director)	-	96,59,634	-	**96,59,634**
3	(*)Mr. Puneet Bhatia	-	-	-	**-**
4	Mrs. Kishori Udeshi	10,90,000	-	10,00,000	**20,90,000**
5	Mr. Pradeep Kumar Panja	10,30,000	-	10,00,000	**20,30,000**
6	Mr. Ignatius Michael Viljoen	-	-	-	**-**
7	Mr. Sridhar Srinivasan	9,20,000	-	10,00,000	**19,20,000**
8	Mr. D. V. Ravi	-	-	-	**-**
GST on sitting fees paid to the Directors		3,50,550		-	**3,50,550**

Notes:

(#) For further details kindly refer paragraph titled 'Composition of Board' forming part of this report.

(*)Mr. Puneet Bhatia, Non-Executive Non-Independent Director, ceased to be Director of the Company on expiry of his tenure on August 19, 2020.

Mr. Umesh Revankar, Vice Chairman & Managing Director is appointed for a period of 5 years with effect from October 26, 2019. His remuneration includes salary of Rs.83,39,634/-, contribution to Provident Fund and NPS is Rs. 7,20,000/- and Rs. 6,00,000/- respectively. The appointment may be terminated by giving three months' notice in writing or salary in lieu thereof. No severance fees are payable on termination of employment.

The annual increment of the Managing Director is decided by the NRC Committee and the Board of Directors based on the performance evaluation of the Managing Director. The NRC Committee, in its meeting held on January 9, 2021, appreciated the initiative and leadership demonstrated by the Managing Director and his performance for financial year ended March 31, 2021 as satisfactory. The NRC Committee recommended to the Board rewarding the Company's employees by way of payment of one-time ex-gratia amount as a gesture of appreciation of their commitment in discharging their duties sincerely during tough conditions of COVID- 19 pandemic. The Board accepted the same and the Company paid the one-time ex-gratia payment involving Rs. 21.91 crore to employees of the Company. The NRC Committee in its meeting held on March 25, 2021 recommended to the Board elevation and re-designation of Mr. Umesh Revankar as Vice Chairman and Managing Director with effect from April 01,2021. The Board accepted this recommendation of the NRC Committee.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The "Stakeholders' Relationship Committee" is constituted in line with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of Listing Regulations.

Terms of reference

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to attending and redressal of the grievances of the security holders of the Company.

The Committee in particular looks into:

1. To oversee and reviews redressal of shareholder and investor grievances, on matters relating to transfer / transmission of securities, non-receipt of annual report, non-receipt of declared dividends/interests.
2. To issue duplicate share/debenture certificate(s) reported lost, defaced or destroyed as per the laid down procedure and to resolve the grievances of security holders of the Company.
3. Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities.
4. Taking decision on waiver of requirement of obtaining the Succession Certificate/Probate of Will on case to case basis within the parameters set out by the Board of Directors.
5. To monitor transfer of the amounts/shares transferable to Investor Education and Protection Fund.
6. To list the securities of the Company on Stock Exchanges.

7. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholder of the Company.
10. Any other matters that can facilitate better investor services and relations.

During the year, the Committee met two times on December 01, 2020 and March 30, 2021. The necessary quorum was present for the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Lakshminarayanan	Chairman	2
Mr. Umesh Revankar	Member	2
Mr. Pradeep Kumar Panja	Member	2
(*)Mrs. Kishori Udeshi	Member	1

(*)Mrs. Kishori Udeshi, Non-Executive Independent Director, has been appointed as a member of the Committee with effect from March 25, 2021.

Note: Mr. Vivek Achwal, Company Secretary also acts as the Compliance Officer of the Company.

The status of security holders grievances is monitored by the Committee periodically and the minutes of the Committee are made available to the Board.

SECURITY HOLDERS COMPLAINTS:

Particulars	No. of Complaints		
	Equity shares	Fixed Deposit	Non-Convertible Debentures
Complaints pending as on April 1, 2020	Nil	Nil	Nil
Complaints received during the period April 01, 2020 to March 31,2021.	18	2	5
Complaints identified and reported under Regulation 13(3) of SEBI (LODR) Reg. 2015.	18	2	5
Complaints disposed of during the year ended March 31, 2021.	18	2	5
Complaints unresolved as of March 31, 2021.	Nil	Nil	Nil

All the complaints received from investors were attended within 30 days. Continuous efforts are made to ensure that grievances are more expeditiously redressed. SEBI Complaints Redress System (SCORES) SEBI administers a centralised web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of online redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES within the stipulated period of receipt of the complaint. During the year, the Company received 17 investor complaints through SCORES, all of which were resolved within 30 days of their receipt.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee has been constituted in line with the provisions of Section 135 of the Act and the rules as amended made thereunder. The committee also monitors implementation of Business Responsibility Policy of the Company.

Terms of reference

The terms of reference of the CSR Committee broadly comprises of:

1. Formulating and recommending to the Board of Directors the CSR Policy and monitoring the same from time to time.
2. The Committee will review and evaluate the sustainability agenda, suggest modifications, discuss and recommend action plan to take the CSR activities forward.
3. CSR Committee will monitor the spend on CSR activities by the Company as well as ensure that the Company spends at least the minimum sum as may be prescribed from time to time pursuant to the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 or such higher sum as may be decided by the Board of Directors of the Company.

During the year under review, the Committee met two times on June 10, 2020 and December 30, 2020. During the financial year the CSR committee also passed some resolutions by circulation on January 6, 2021 and March 20, 2021. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	2
Mr. S. Lakshminarayanan	Member	2
(*)Mrs. Kishori Udeshi	Member	2
(#)Mr. Puneet Bhatia	Member	1
Mr. Pradeep Kumar Panja	Member	2

(*)Mrs. Kishori Udeshi, Non-Executive Independent Director ceased to be member of the committee with effect from March 25, 2021.

(#)Mr. Puneet Bhatia, Non-executive Non-independent director, ceased to be director of the Company on expiry of his tenure on August 19, 2020

RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted in line with the Regulation 21 of Listing Regulations as amended.

The terms of reference of the Risk Management Committee shall be as follows:

1. Review of Risk Management Policy.
2. Approval of Risk Management Plan, implementing and monitoring the Risk Management Plan.
3. Roll out and implementation of the Risk Management System.
4. Such other matters as may be delegated by Board from time to time.

During the year under review, the Committee met three times on July 20, 2020, October 27, 2020 and February 11, 2021. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	3
Mr. S. Sridhar	Member	2
Mr. D. V. Ravi	Member	3
Mr. S. Sunder	Member	3

Pursuant to Reserve Bank of India Circular No.DNBR (PD) CC.No.099/03.10.001/2018-19 dated May 16, 2019 the Company had appointed Mr. Hardeep Singh as Chief Risk Officer (CRO) for a period of upto 5years in order to carry out all functions and discharge all responsibilities as per the terms of the aforesaid RBI circular.

ASSET LIABILITY MANAGEMENT COMMITTEE

Terms of reference

The terms of reference of Asset Liability Management Committee (ALM) are as follows:

The ALM Committee is responsible for assisting the Board of Directors in Balance Sheet planning from risk-return perspective including the strategic management of interest and liquidity risk. Its function includes –

1. Liquidity risk management.
2. Management of market risks.
3. Funding and capital planning.
4. Profit planning and growth projection.
5. Forecasting and analysing future business, environment and preparation of contingency plans.

During the year under review, the Committee met four times on April 22, 2020, August 20, 2020, October 30, 2020 and January 29, 2021. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	4
Mrs. Kishori Udeshi	Member	3
(*)Mr. S. Lakshminarayanan	Member	0
Mr. Parag Sharma	Member	4

(*)Mr. S. Lakshminarayanan, Non-Executive Independent Director has been appointed as a Member of the Committee with effect from March 25, 2021.

BANKING AND FINANCE COMMITTEE

The Banking and Finance Committee has been formed to monitor resource mobilisation and to ensure efficient and timely decisions on the matters relating to Banking and Finance activities of our Company.

Terms of reference

The terms of reference of the Banking and Finance Committee comprises of:

1. Opening, operating and closing of Bank Accounts.
2. Issuance of Non-Convertible Debentures/Subordinated Debentures on Private Placement basis.
3. Issuance of Commercial Paper.
4. Borrowing of money from Bank, Financial Institutions etc. and proving Bank Guarantee.
5. Securitization of receivables by way of sell down through PTC/ Direct Assignment.
6. Availing and giving Inter Corporate Deposit.
7. Availing Foreign Currency Term Loan, FCNR (B).
8. Investment of Surplus funds in Fixed Deposit for Short Term/ Mutual Funds etc.
9. Monitoring asset coverage of the loan and issuance of NOC and release of security.
10. Give confirmation to Bank in respect of loans availed through Acknowledgement of Debt.
11. Apply for any license/Affiliation for business purpose.
12. Entering into Service Provider Agreement for Electronic Toll collection programme.
13. To authorise official of the Company to appear on behalf of the Company before various regulatory and law enforcing authorities/government department/local administration or authority/market intermediaries under applicable laws, rules and regulations and submit documents undertaking, affidavits, papers etc.
14. To authorize official of the Company to sign various agreements in connection with purchase/sale registration of property etc.
15. Fixing Record Date for payment of monthly, half yearly and annual Interest and redemption of Debentures/ Bonds/ Notes.
16. Revision in Terms and Conditions including interest rates of Fixed Deposit Scheme;
17. Availing 'Corporate Internet Banking', Payment & Collection Services, online viewing facility, E-commerce –payment gateway Merchant Account from Banks.
18. Authorization to procure Digital Signature Certificates from e Mudhra Limited/NSEIT Limited.
19. Authorization to create the Login ID with CERSAI (Central Registry of Securitisation Asset Reconstruction and Security Interest of India).
20. To give approval/authorization for the matters required for day to day management of the affairs of the Company.
21. To borrow for the purpose of the business of Company from time to time on such terms and conditions as the Committee may deem fit.
22. To take all steps and exercise power to issue the notes/ bonds and to implement the same.
23. To approve the buy-back of Non-Convertible Debentures.

The Committee meets regularly to discharge its functions. During the year under review, the Committee met 81 times. During the financial year the B & F Committee also passed some resolutions by circulation on April 28, 2020 & May 02, 2020. The necessary quorum was present for all the meetings

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	80
Mr. Parag Sharma	Member	81
Mr. S. Sunder	Member	81

IT Strategy Committee

Terms of reference

The terms of reference of the IT Strategy Committee shall include:

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
5. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls,
6. Any other role and responsibility as per the directions of RBI issued from time to time.

During the year under review, the Committee met two times on June 30, 2020 and December 24, 2020 . The necessary quorum was present for the meeting.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Sridhar	Chairman	2
Mr. Umesh Revankar	Member	2
Mr. Gayadhar Behera	Member	2
Mr. Balasundara Rao	Member	2
Mr.Prashant Deshpande	Member	2

ESG COMMITTEE

The Board of Directors in its meeting held on March 25, 2021 had constituted ESG Committee.

Composition of ESG Committee

Name of the Member	Status
Mr. S. Lakshminarayanan	Chairman
Mrs. Kishori Udeshi	Member
Mr. Umesh Revankar	Member
Mr. Parag Sharma	Member
Mr. S.Sunder	Member (co-opted on April 29, 2021)

Terms of Reference:

The terms of Reference of the ESG Committee comprises of:

1. Recommending to the Board the Company's overall general strategy with respect to ESG Matters.
2. Overseeing the Company's policies, practices and performance with respect to ESG matters and Social Finance Framework.
3. Overseeing the Company's reporting standards in relation to ESG matters and Social Finance Framework.
4. Approval of draft ESG Report
5. Delegating authority to the Managing Director and or Chief Financial Officer or other authorised officers to do any acts, deeds, matters and things as may be necessary.

The First Meeting of ESG Committee was held on April 28, 2021.

GENERAL BODY MEETING

(i) Annual General Meeting (AGM):

Details of the last three Annual General Meetings (AGM) and Special Resolutions passed thereat are given below:

Year	AGM	Location	Date & Time	Details of Special Resolutions passed
2017-18	39th AGM	Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai - 600 018	July 26, 2018 at 11.00 A.M	There were no Special Resolutions passed at the 39th AGM.
2018-19	40th AGM	Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai - 600 018	June 27, 2019 at 10.30 A.M	(i) To re-appoint Mr. S. Lakshminarayanan (DIN 02808698) as an Independent Director of the Company for a second term of five consecutive years commencing from January 24, 2020 to January 23, 2025 and (ii) To re-appoint Mr. S. Sridhar (DIN 00004272) as an Independent Director of the Company for a second term of five consecutive years commencing from October 20, 2019 to October 19, 2024.
2019-20	41st AGM	The Company conducted the AGM through video conferencing(VC)/ other audio visual means(OAVM) pursuant to the MCA circular.	August 19, 2020 at 3.30 P.M	(i) To enhance the limit to sell/ assign/ securitize receivables, (ii) To approve conversion of loan into equity or other capital of the Company in case of Event of Default and (iii) To authorize capital raising through issuance of Equity Shares and/or other Eligible Securities.

At the ensuing 42nd AGM to be held on June 24, 2021 a special resolution is proposed namely:- To renew authorization for raising capital through issuance of Equity Shares and/or other Eligible Securities with an enhanced limit upto Rs.4,000 crores .

Postal Ballot

1. The Company had passed a special resolution through postal ballot notice dated April 20, 2020 namely: Renewal of limit to issue debentures on private placement basis by the Board pursuant to Section 42, Section 71 and other applicable provisions of the Companies Act, 2013. The Board of Directors on April 20, 2020 had appointed Mr. P. Sriram (Membership No. FCS 4862), a Practicing Company Secretary (PCS No. 3310), Chennai as the scrutinizer to scrutinize the E-voting/Postal Ballot process in a fair and transparent manner. The postal ballot results were declared on May 28, 2020.

   The details of voting pattern of the Special Resolution passed through Postal Ballot - Renewal of limit to issue debentures on private placement basis by the Board

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	189445207	187116202	98.77	2329005	1.23
Votes cast through Physical Mode	0	0	0	0	0
Total	**189445207**	**187116202**	**98.77**	**2329005**	**1.23**

   Special Resolution was passed by shareholders with requisite majority.

The procedure for Postal Ballot /electronic voting (e-voting) for aforesaid special resolution is mentioned in the said postal ballot notice.

2. Renewal of limit to issue debentures on private placement basis by the Board - January 28, 2021

   The details of voting pattern of the Special Resolution passed through Postal Ballot - Renewal of limit to issue debentures on private placement basis by the Board

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	21,28,63,046	20,97,77,724	98.55	30,85,322	1.45
Votes cast through Physical Mode	0	0	0	0	0
Total	**21,28,63,046**	**20,97,77,724**	**98.55**	**30,85,322**	**1.45**

   Special Resolution was passed by shareholders with requisite majority.

SHARE CAPITAL AUDIT

The Share Capital Audit as required under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, read with SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated December 31, 2002 and SEBI Circular No. CIR/MRD/DP/30/2010, a Qualified Practicing Company Secretary carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. This audit is carried out every quarter and the reconciliation of share capital audit report thereon is submitted to the Stock Exchanges and to the Board of Directors.

CERTIFICATION BY VICE CHAIRMAN & MANAGING DIRECTOR AND JOINT MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER

In terms of Listing Regulations, the certification by the Vice Chairman & Managing Director and the Joint Managing Director & Chief Financial Officer is annexed to this Annual Report.

MEANS OF COMMUNICATION

The Board recognizes the importance of two-way communication with shareholders and giving a report of results and progress and responding to questions and issues raised in a timely and consistent manner. The Company follows a robust process of communicating with its investors the Audited financial results, the quarterly results and half yearly results of the Company are published in English (Business Standard, Financial Express) and Tamil newspaper (Makkal Kural). Press release is also given in the leading newspapers upto date financial results, press releases, quarterly investor updates/

presentations made to institutional investors, investors/earning conference calls or to the analysts, official news releases and other general information about the Company are also available on the Company's website https://bit.ly/39mGsPO The aforesaid financial results are disseminated to the Stock Exchanges within thirty minutes from the close of the Board meetings at which these are considered and approved. Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form. The annual report and quarterly financial results has been sent in electronic form to shareholders, who have registered their email ids. In view of the prevailing COVID-19 situation and consequent lockdown across the country, the Ministry of Corporate Affairs (MCA) has exempted companies from circulation of physical copies of Annual Report for year ended March 31, 2021. Our Company does online filing with National Stock Exchange of India Ltd (NSE) and BSE Limited (BSE) through web based application: NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre.

The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations including material information having a bearing on the performance / operations of the Company or other price sensitive information.

The Board of Directors has approved a policy for determining materiality of events and a team comprising of Senior Managerial Personnel for the purpose of determining materiality of an event or information and making disclosures to Stock Exchanges.

GENERAL SHAREHOLDER INFORMATION

42nd Annual General Meeting

Particulars	As on March 31, 2021
a. Day and Date	Thursday, June 24, 2021
b. Time	2.00 PM (IST)
c. Venue	The Company is conducting meeting through video conferencing (VC)/other audio visual means(OAVM)pursuant to the MCA circular. For details please refer to the Notice of 42nd AGM.
d. Financial Year	2020-2021
e. Dividend Payment Date	An Interim Equity Dividend of 60% was declared by the Board of Directors at its meeting held on October 29, 2020 and the payments thereof were effected on November 26,2020. Second Interim Equity Dividend of 60% was declared by the Board of Directors at its meeting held on March 25, 2021 and the payments thereof were effected on April 16, 2021. The final dividend will be paid on or after July 7, 2021 subject to the approval of members.
f. The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	**BSE Limited** P J Towers, Dalal Street, Mumbai – 400 001. **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai – 400 051 The Company has paid the annual listing and custodian fees for the financial year 2021 – 2022 to the Stock Exchanges and Depositories.
g. Stock Code	
BSE Limited	511218
National Stock Exchange of India Limited	SRTRANSFIN
Singapore Exchange Securities Trading Limited	USD Bonds - XS1953982086 (Regulation S), US825547AA08 (Rule 144A), USY7758EEC13 (Regulation S), Social Bonds - US825547AC63 (Rule 144A), USY7758EEF44 (Regulation S) US825547AD47 (Rule 144A) USY7758EEG27 (Regulation S)
Demat ISIN in NSDL & CDSL	INE721A01013

The Company's Non-Convertible Debentures (NCDs) offered for subscription to public under the Shelf Prospectus & Tranche I Prospectus both dated June 24, 2014, Shelf Prospectus dated June 22, 2018 in tranches vide Tranche I Prospectus dated June 25, 2018, Tranche II Prospectus dated October 8, 2018 Tranche III Prospectus dated December 27, 2018, Shelf Prospectus dated July 09, 2019 & Tranche I Prospectus dated July 12, 2019 and Tranche II Prospectus dated December 26, 2019 are listed on NSE and BSE. The ISIN details for these NCDs are as under:

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
NCDs 7 - June 2014						
Secured NCDs (Series III)	INE721A07HJ6	BSE – 935132 NSE – Y9	(**) (@@) (~~) 10.15% p.a.	ANNUAL	15/07/2014	15/07/2021
Secured NCDs (Series V)	INE721A07HL2	BSE – 935136 NSE – YB	(**) (&&&) ($$$) (^^^) 9.71% p.a.	MONTHLY	15/07/2014	15/07/2021
Secured NCDs (Series VIII)	INE721A07HO6	BSE – 935142 NSE – YG	NA	(@###)	15/07/2014	15/07/2021
NCD 8 - Tranche 1 (June 2018)						
Secured NCDs (Series I)	INE721A07NT3	BSE - 936228 NSE – YH	(**) (AI##) 8.93% p. a.	MONTHLY	12/07/2018	12/07/2023
Secured NCDs (Series II)	INE721A07NU1	BSE - 936230 NSE – YI	(**) (AI##) 9.03% p. a.	MONTHLY	12/07/2018	12/07/2028
Secured NCDs (Series III)	INE721A07NV9	BSE - 936232 NSE – YJ	(**) (AI##) 9.10% p. a.	ANNUAL	12/07/2018	12/07/2021
Secured NCDs (Series IV)	INE721A07NW7	BSE - 936234 NSE – YK	(**) (AI##) 9.30% p. a.	ANNUAL	12/07/2018	12/07/2023
Secured NCDs (Series V)	INE721A07NX5	BSE - 936236 NSE – YL	(**) (AI##) 9.40% p. a.	ANNUAL	12/07/2018	12/07/2028
Secured NCDs (Series VI)	INE721A07NY3	BSE - 936238 NSE – YM	NA Cumulative	(*@#)	12/07/2018	12/07/2021
Secured NCDs (Series VII)	INE721A07NZ0	BSE - 936240 NSE – YN	NA Cumulative	(*@##)	12/07/2018	12/07/2023
NCD 8 - Tranche 2 (October 2018)						
Secured NCDs (Series I)	INE721A07OB9	BSE - 936324 NSE - YO	(**) 9.12% p. a.	MONTHLY	02/11/2018	02/11/2023
Secured NCDs (Series II)	INE721A07OC7	BSE - 936326 NSE - YP	(**) 9.30% p. a	MONTHLY	02/11/2018	02/11/2028
Secured NCDs (Series III)	INE721A07OD5	BSE - 936328 NSE - YQ	(**) 9.40% p. a	ANNUAL	02/11/2018	02/11/2021
Secured NCDs (Series IV)	INE721A07OE3	BSE - 936330 NSE - YR	(**) 9.50% p. a	ANNUAL	02/11/2018	02/11/2023
Secured NCDs (Series V)	INE721A07OF0	BSE - 936332 NSE - YS	(**) 9.70% p. a	ANNUAL	02/11/2018	02/11/2028
Secured NCDs (Series VI)	INE721A07OG8	BSE - 936334 NSE - YT	NA Cumulative	(RM##) (SC****)	02/11/2018	02/11/2021
Secured NCDs (Series VII)	INE721A07OH6	BSE - 936336 NSE - YU	NA Cumulative	(RM##) (SC****)	02/11/2018	02/11/2023
NCD 8 - Tranche 3 (December 2018)						
Secured NCDs (Series I)	INE721A07OM6	BSE - 936452 NSE – YV	(**) 9.12% p.a.	MONTHLY	06/02/2019	06/02/2024
Secured NCDs (Series II)	INE721A07ON4	BSE - 936454 NSE – YW	(**) 9.30% p.a.	MONTHLY	06/02/2019	06/02/2029

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
Secured NCDs (Series III)	INE721A07OO2	BSE - 936456 NSE – YX	(**) 9.40% p. a.	ANNUAL	06/02/2019	06/02/2022
Secured NCDs (Series IV)	INE721A07OP9	BSE - 936458 NSE – YY	(**) 9.50% p. a.	ANNUAL	06/02/2019	06/02/2024
Secured NCDs (Series V)	INE721A07OQ7	BSE - 936460 NSE – YZ	(**) 9.70% p. a.	ANNUAL	06/02/2019	06/02/2029
Secured NCDs (Series VI)	INE721A07OR5	BSE - 936462 NSE - Z1	NA Cumulative	(RM##) (SC****)	06/02/2019	06/02/2022
Secured NCDs (Series VII)	INE721A07OS3	BSE - 936464 NSE - Z2	NA Cumulative	(RM##) (SC****)	06/02/2019	06/02/2024
NCD 9 - Tranche 1 (July 2019)						
Secured NCDs (Series I)	INE721A07OY1	BSE – 936780 NSE - Z3	(**) 9.12% p. a.	MONTHLY	22/08/2019	22/02/2023
Secured NCDs (Series II)	INE721A07OZ8	BSE – 936782 NSE – Z4	(**) 9.22% p.a.	MONTHLY	22/08/2019	22/08/2024
Secured NCDs (Series III)	INE721A07PA8	BSE – 936784 NSE – Z5	(**) 9.31% p.a.	MONTHLY	22/08/2019	22/08/2026
Secured NCDs (Series IV)	INE721A07PB6	BSE – 936786 NSE – Z6	(**) 9.30% p.a.	ANNUAL	22/08/2019	22/02/2022
Secured NCDs (Series V)	INE721A07PC4	BSE – 936788 NSE – Z7	(**) 9.50% p.a.	ANNUAL	22/08/2019	22/02/2023
Secured NCDs (Series VI)	INE721A07PD2	BSE – 936790 NSE – Z8	(**) 9.60% p.a.	ANNUAL	22/08/2019	22/08/2024
Secured NCDs (Series VII)	INE721A07PE0	BSE - 936792 NSE – Z9	(**)9.70% p.a.	ANNUAL	22/08/2019	22/08/2026
Secured NCDs (Series VIII)	INE721A07PF7	BSE - 936794 NSE - ZA	NA Cumulative	(RM%) (SC%)	22/08/2019	22/02/2023
Secured NCDs (Series IX)	INE721A07PG5	BSE – 936796 NSE – ZB	NA Cumulative	(RM%) (SC%)	22/08/2019	22/08/2024
Secured NCDs (Series X)	INE721A07PH3	BSE – 936798 NSE – ZC	NA Cumulative	(RM%) (SC%)	22/08/2019	22/08/2026
NCD 9 - Tranche 2 (December 2019)						
Secured NCDs (Series I)	INE721A07PI1	BSE – 937061 NSE – ZD	(**) 8.52% p. a.	MONTHLY	28/01/2020	28/01/2023
Secured NCDs (Series II)	INE721A07PJ9	BSE – 937063 NSE – ZE	(**) 8.66% p.a.	MONTHLY	28/01/2020	28/01/2025
Secured NCDs (Series III)	INE721A07PK7	BSE – 937065 NSE – ZF	(**) 8.75% p.a.	MONTHLY	28/01/2020	28/01/2027
Secured NCDs (Series IV)	INE721A07PL5	BSE – 937067 NSE – ZG	(**) 8.85% p.a.	ANNUAL	28/01/2020	28/01/2023
Secured NCDs (Series V)	INE721A07PM3	BSE – 937069 NSE – ZH	(**) 9.00% p.a.	ANNUAL	28/01/2020	28/01/2025
Secured NCDs (Series VI)	INE721A07PN1	BSE – 937071 NSE – ZI	(**) 9.10% p.a.	ANNUAL	28/01/2020	28/01/2027
Secured NCDs (Series VII)	INE721A07PO9	BSE – 937073 NSE – ZJ	NA Cumulative	(RM%%) (SC%%)	28/01/2020	28/01/2023
Secured NCDs (Series VIII)	INE721A07PP6	BSE – 937075 NSE – ZK	NA Cumulative	(RM%%) (SC%%)	28/01/2020	28/01/2025

Note:

1. (~~) - NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 1.35% per annum for NCDs held on any Record Date for the amount outstanding.
2. (^^^) - NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 1.23% per annum for NCDs held on any Record Date for the amount outstanding and NCD Holders who are Non- Individuals on any Record Date the interest will be calculated on coupon @ 9.71% per annum for the amount outstanding.
3. (**) - Senior Citizens (only First Allottee) shall be entitled to an additional yield at the rate of 0.25 % per annum.
4. (@@) – subject to applicable tax deducted at source, if any.
5. (&&&) – For Series V, Senior citizens (only First Allottee) will get a coupon of 11.17% per annum payable monthly.
7. ($$$) – Monthly Option shall be available only to Individuals applying for Allotment of NCDs in demat form only.
8. (@###) - Subject to applicability of tax deducted at source the NCD Holders who are Individuals will be redeemed for an amount of Rs. 2,143.79 per NCDs, the NCD Holders who are Non-Individuals will be redeemed for an amount of Rs. 1,968.44 per NCDs and the NCD Holders who are Senior Citizens (only First Allottee) will be redeemed for an amount of Rs. 2,177.70 per NCDs at the end of the 84 months from the Date of Allotment.
9. (AI##) - Additional incentive of 0.10% available to Category III and IV investors provided the NCDs issued under the Tranche - 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date applicable for payment of coupon.
10. (*@#) - For NCD Holders who fall under Category-I and / or Category II on the record date the amount payable on redemption for NCDs will be Rs.1,298.91 per NCD. For NCD holders who fall under Category III and / or Category IV on the record date the amount payable on redemption for NCDs will be Rs.1,302.49 per NCD.
11. (*@##) - For NCD Holders who fall under Category I and/or Category II on the record date the amount payable on redemption for NCDs will be Rs.1,560.30 per NCD. For NCD holders who fall under Category III and/or Category IV on the record date the amount payable on redemption for NCDs will be Rs. 1567.45 per NCD.
12. (SC****) - The amount payable on redemption to such Senior Citizens for NCDs under Series VI and Series VII is Rs. 1,318.67 and Rs. 1,592.70 per NCD respectively provided the NCDs issued under the NCD 8 Tranche 2 & Tranche 3 are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Payment date for Series VI and Series VII.
13. (RM##) - The amount payable on redemption for NCDs under Series - VI and Series - VII are Rs. 1309.66 per NCD and Rs.1,574.63 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series VI and Series VII.
14. (RM%) - The amount payable on redemption for NCDs under Series - VIII , Series IX and Series X are Rs. 1,374.75 per NCD, Rs. 1,582.25 per NCD and Rs. 1,912.80 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series VIII, Series IX and Series X.
15. (SC%) - The amount payable on redemption to such Senior Citizens for NCDs under Series VIII, Series IX and Series X is Rs. 1,385.80 per NCD, Rs. 1,600.40 per NCD and Rs. 1,943.55 per NCD respectively provided the NCDs issued under the NCD 9 Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Date for the Series VIII, Series IX and Series X.
16. (RM%%) - The amount payable on redemption for NCDs under Series – VII and Series VIII are Rs. 1289.99 per NCD and Rs. 1,539.35 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series VII and Series VIII.
17. (SC%%) - The amount payable on redemption to such Senior Citizens for NCDs under Series VII and Series VIII is Rs. 1,298.91 and Rs. 1,557.11 per NCD respectively provided the NCDs issued under the NCD 9 Tranche 2 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Date for the Series VII and Series VIII.

Wherever redemption payment due date falls on a nonworking day, then the Company will make the payment on the previous working day and wherever NCDs interest payment due date falls on a non-working day, then the Company will make the payment on the next working day.

RIGHTS ISSUE OF EQUITY SHARES

The Company issued and allotted 261,78,777 Equity Shares under rights issue of face value of Rs. 10/- each (Rights Equity Shares) to the eligible equity shareholders at an issue price of Rs. 570/- per Equity Share (including premium of Rs. 560/- per Equity Share). The Issue opened on July 16, 2020 and closed on July 30, 2020. The Rights Equity Shares were allotted on August 06, 2020. The entire proceeds of the Rights Issue have been utilised as per the objects stated in the offer document for the Rights issue. The fresh allotment of equity shares through Rights Issue has resulted in an increase of equity share capital by Rs. 26.18 crores.

The Eligible shareholder holding shares of the Company in physical form and applying for the Rights shares was required to furnish details of his/her/its demat account to the Registrar(s) to the Issue or the Company not later than two Working Days prior to the Issue Closing Date. In case such details are not available on the date of Allotment of the Rights shares, the Company was required to keep the said shares in a separate demat account "STFC Rights Allotment Demat Suspense Account". As on March 31, 2021, 134 Eligible shareholders holding 5607 Rights shares in aggregate, have not furnished the demat details to the Registrars to the Issue / the Company.

As per the newspaper advertisement published on April 01, 2021in Financial Express (English Newspaper); Jansatta (Hindi Newspaper); and Makkal-Kural (Tamil Newspaper), in the interest of such shareholders and considering the difficulties faced due to the COVID-19 pandemic conditions prevailing in the country, the Securities Issuance Committee of Company has decided to grant extension upto June 30, 2021 to such shareholders to submit their demat account details. In case the above details are not provided on or before June 30, 2021 such Rights Equity Shares lying to the credit of the "STFC RIGHTS ALLOTMENT DEMAT SUSPENSE ACCOUNT" shall be sold on the floor of the stock exchanges. The proceeds of such sale (net of brokerage, applicable taxes, administrative and incidental charges) shall be remitted to the bank account of the respective shareholders as per terms of Letter of Offer or as per the details available with the Company or Registrar. In the event of any failure to update your records with the Company or Registrar or depository participants, the Company, Registrar or any other party shall not be liable for any losses suffered. Please note that any amounts that cannot be remitted back to the shareholders for any reason shall be dealt with in accordance with applicable law.

DIVIDEND DISTRIBUTION POLICY

The dividend distribution policy of the Company is enclosed. The same is also available on the website. For details click on the link for **https://bit.ly/2NLsKzu**

GENERAL SHAREHOLDER INFORMATION

h. Stock Market

The high and low market price and volume of shares traded during each month of the financial year ended March 31, 2021 are given below:

Months	BSE Limited			National Stock Exchange of India Ltd.		
	Share Prices		Volume (No. of Shares)	Share Prices		Volume (No. of Shares)
	High (Rs.)	Low (Rs.)		High (Rs.)	Low (Rs.)	
April 2020	820.80	500.00	4210352	823.00	500.10	102926592
May 2020	806.70	528.10	4878593	807.00	527.75	119657110
June 2020	733.75	563.35	8170596	734.00	563.05	168822450
July 2020	783.90	644.75	4507111	784.35	644.50	103068230
August 2020	792.75	636.40	5868189	792.90	636.10	108276736
September 2020	719.60	555.90	3387019	720.00	555.55	90498396
October 2020	748.50	621.00	3343034	748.80	625.15	85861278
November 2020	1091.00	696.35	6784484	1091.90	693.90	129206808
December 2020	1108.90	917.95	4429829	1108.00	918.10	85634304
January 2021	1316.85	1047.50	5363739	1319.00	1046.50	105216127
February 2021	1534.90	1266.95	3101762	1534.95	1266.25	64984120
March 2021	1471.00	1238.10	2580222	1471.50	1238.15	51924628

STFC Share Price performance in comparison to BSE Sensex and S & P CNX Nifty

i. No equity shares are suspended from trading during the Financial Year 2020 - 2021.

j. Registrar to an issue and Share Transfer Agents

The Registrar and Share Transfer Agents of the Company are:

Integrated Registry Management Services Private Limited

2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017

Ph: 044 - 2814 0801 - 03 Fax no: 044 – 28142479

Email: **anusha@integratedindia.in** Website: **www.integratedindia.in**

k. Note Trustee for Masala Bonds

(a) The Hongkong and Shanghai Banking Corporation Limited, Level 30, 1 Queen's Road Central, Hong Kong and

(b) Axis Trustee Services Limited, The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai – 400028.

l. Share Transfer System:

The authority to approve share transfers has been delegated by the Board of Directors to the Securities Transfer Committee (STC). Shares sent for transfer in physical form are registered and returned by our Registrar & Share Transfer Agent in fifteen days of receipt of documents, provided the documents are found to be in order. The STC considers the transfer proposals generally on a weekly basis.

m. Distribution of shareholding as on March 31, 2021

Sr. No	No. of Equity Shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholding
1	1 – 500	75175	92.84	4682330	1.85
2	501 – 1000	3166	3.91	2302422	0.91
3	1001 – 2000	1216	1.50	1703041	0.67
4	2001 – 3000	322	0.40	781949	0.31
5	3001 – 4000	128	0.16	445329	0.18
6	4001 – 5000	93	0.11	425124	0.17
7	5001 – 10000	199	0.25	1410592	0.56
8	10001 and above	678	0.84	241310726	95.36
	Total	**80977**	**100**	**253061513**	**100**

n. Categories of shareholders as on March 31, 2021

Sr. No.	Category	Total	
		No.of Shares held	% of shareholding
1	Promoter and Promoter Group	67021853	26.48%
2	Foreign Portfolio Investor 1&2	154396688	61.01%
3	Resident Indian	11670784	4.61%
4	Insurance Company	11170377	4.41%
5	Mutual Fund	5129130	2.03%
6	IEPF Authority	1007353	0.40%
7	Alternative Investment Fund	851986	0.34%
8	Bodies Corporate	478638	0.19%
9	NRI	350859	0.14%
10	Clearing Member	348623	0.14%
11	Trusts	276181	0.11%
12	FI-Others	222591	0.09%
13	Unclaimed Securities Suspense Account	68233	0.03%
14	Limited Liability Partnership	47589	0.02%
15	NBFC's	10409	0.00%
16	Rights Allotment Demat Suspense Account	5607	0.00%
17	Bank	4610	0.00%
18	Firms/AOP	2	0.00%
	Grand Total	**253061513**	**100.00%**

o. Dematerialization of shares and liquidity

The Company's scrip forms part of the compulsory Demat segment for all investors effective from July 24, 2000. To facilitate the investors in having an easy access to the demat system, the Company has signed up with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through Integrated Registry Management Services Private Limited. As on March 31, 2021, the total of 25,07,21,011 equity shares constituting 99.08% of the paid up capital, have been dematerialized.

p. The Company has not issued any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity.

q. Commodity price risk or foreign exchange risk and hedging activities: Commodity price risk : Not Applicable. The Company has fully hedged its foreign exchange risks associated with External Commercial Borrowings through issue of senior secured notes / bonds in the offshore market under GMTN Program and Loans through various derivatives/hedging products.

r. Locations

List of branches are mentioned in the "Our Reach" Section on page no. 07 in the Annual Report.

s. Address for correspondence & Registered Office:

Registered Office: During the financial year ended March 31, 2021, the Company had shifted its registered office premises from Mookambika Complex, 3rd Floor, No.4, Lady Desika Road, Mylapore, Chennai – 600 004 to the new premises Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu. Phone: 91- 44- 48524666 Fax: +91 44 4852 5666.

Corporate Office: Wockhardt Towers, Level-3, West Wing, C-2, G-Block, Bandra - Kurla Complex, Bandra - (East), Mumbai - 400 051. Phone: 91-22 - 40959595, Fax: 91-22 - 40959597, Website: **www.stfc.in**

Email ID for Investor Grievance:

The following email ID has been designated for communicating investors' grievances.

- For Equity Shares related queries/complaints: secretarial@stfc.in
- For Public Issue of Non-Convertible Debentures 2014- Prospectus related queries/complaints: stfcncd7comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2018 Shelf and Tranche 1 Prospectus - related queries/complaints: stfcncd8comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2018 Tranche II Prospectus - related queries/complaints: stfcncd8t2comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2018 Tranche III Prospectus - related queries/complaints: stfcncd8t3comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2019 Tranche I Prospectus - related queries/complaints: stfcncd9t1comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2019 Tranche II Prospectus - related queries/complaints: stfcncd9t2comp@stfc.in

The aforesaid email ids has been displayed on the Company's website

t. The list of all credit ratings for all debt instruments, fixed deposit, masala bonds, U.S. Dollar senior secured notes for details refer page no. 21 in the Directors' Report.

u. Other Disclosures

A. There are no materially significant Related Party Transactions (RPTs) with the Company's Promoters, Directors, Key Managerial Personnel or their relatives, which may have potential conflict with the interests of the Company at large. Disclosures on transactions with related parties, as required under the Indian Accounting Standard 24, have been incorporated in the Notes to the Accounts. The statement of RPTs is placed before the Audit Committee and the Board on quarterly basis.

Omnibus approval was obtained for the transactions of repetitive nature. The Policy on Materiality of RPTs and dealing with RPTs as approved by the Board is uploaded on the Company's website at the web link : **https://bit.ly/2CIhkGS**. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission to Independent Directors. The details of the transactions with Related Party are provided in the notes to the Financial Statements.

B. There were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Stock Exchanges and SEBI, or any statutory authority on any matter related to capital markets during the last three years.

C. The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulations ensures standards of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website at the web link of https://bit.ly/3eH0jde .

D. Details of compliance with Mandatory requirements and adoption of non-mandatory requirements

1. The Company has complied with all the applicable mandatory requirements of the Listing Regulations.
2. The Company has also adopted the non-mandatory requirement as specified in the Listing Regulations regarding –
   - The Board - The Company does not maintain a separate office for the Non–executive Chairman. The independent directors have requisite qualification and experience to act as a Director on the Board.
   - Shareholders' Rights: The quarterly/half /yearly financial results are published in the newspapers of wide circulation and sent to individual shareholders through email to those shareholders registered their email ids with the Company Financial Results are also available on the website of the Company (https://www.stfc.in/investors/financial-results/), BSE Limited and National Stock Exchange of India Ltd
   - Unmodified Financial Statements and Reporting of Internal Auditor.

E. The Company does not have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. However, the Company has framed the Policy on Material Subsidiaries and the same is uploaded on the Company's website at the web link: https://bit.ly/2WAS5xo

F. The policy on dealing with related party disclosures is uploaded on the Company's website at the web link of https://bit.ly/2ZG5g20

G. The disclosure of commodity price risks and commodity hedging activities: Not applicable.

H. In the 41st AGM, the Company has passed a special resolution authorising to raise capital through issuance of Equity Shares and/or other Eligible Securities defined under Regulation 171(a) of SEBI ICDR Regulations, including Foreign Currency Convertible Bonds (FCCBs), fully convertible debentures/partly convertible debentures, non-convertible debentures with warrants convertible into Equity Shares, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (other "Eligible Securities) however, the Company has not raised funds through preferential allotment or qualified institutions placement under Regulation 32(7A).

I. Pursuant to Schedule V Para C clause (10)(i) of the Listing Regulations, the Company has obtained certificate from SPNP & Associates practicing company secretary confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report as Annexure A

J. In the financial year 2020 - 2021 the board has accepted all recommendations of its committees.

K. The Company has paid all fees on a consolidated basis for all services rendered by statutory auditor.

The details of total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditors is a part, are as follows -

Particulars	Amount (Rs. in crores)
Statutory Audit Fees	0.93
Tax Audit Fees	0.09
Others	0.71
Total	**1.73**

L. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, for details refer Directors' Report.

M. The Company has complied all the requirement of corporate governance report as contained in Clause C (2) to (10) of Schedule V read with Regulation 34(3) of Listing Regulations.

N. The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 17(5) of the Listing Regulations. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Vice Chairman & Managing Director. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also uploaded on the Company's website at the web link of https://bit.ly/32Ay3qD

v. Equity Shares in the Suspense Account

As required under Schedule V of Listing Regulations. The Company has opened "STFC- Unclaimed Securities Suspense Account" with the Depository Participants for the purpose of transferring unclaimed equity shares held in physical form. The Company will transfer the shares lying unclaimed to the eligible shareholders as and when the request for the same has been received after proper verification. As on March 31, 2021 there were 68233 unclaimed equity shares in the Unclaimed Suspense Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on April 01, 2020.	244	76690
Number of Shareholders / legal heirs who approached the Company for transfer of shares from the Unclaimed Suspense Account, for the period from April 01, 2020 to March 31, 2021.	8	3125
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents, for the period from April 01, 2020 to March 31, 2021.	8	3125
Number of Shareholders / legal heirs of whom the shares were transferred from the Unclaimed Suspense Account to Investor Education and Protection Fund Authority pursuant to the Government of India Gazette notification No. REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by Ministry of Corporate Affairs (MCA), April 01, 2020 to March 31, 2021.	23	5332
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on March 31, 2021.	213	68233

The Company had complied all the disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of Listing Regulations (relating to disclosure on the website of the Company)

DIVIDEND DISTRIBUTION POLICY

Preamble

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs. The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all shareholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors (Board) will refer to the policy while declaring/ recommending dividends. Through this policy, the Company would endeavour fairness, consistency and sustainability while distributing profits to the shareholders. This policy also stipulates the process for recommendation/ declaration of dividend and its pay-out by the Company in accordance with the provisions of the Companies Act,2013 (the Companies Act) and other rules, regulations etc. as applicable to the Company.

Class of Shares :

The Company has issued only Equity Shares and no Preference shares issued by the Company are outstanding.

Category of Dividends :

The Companies Act provides for two forms of Dividend- Final and Interim. The Board shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit. Normally, the Board will endeavour to declare an interim dividend after finalization of quarterly financial accounts. The Board may declare interim dividend based on profits of the Company, one or more times in a financial year as and when considered appropriate, in line with this policy.

After the annual accounts are prepared, the Board may recommend final dividend to the shareholders for their approval in the General Meeting of the Company. In the event the Board declares more than one interim dividend in a financial year, the Board may recommend to the shareholder to treat the last interim dividend as a final Dividend.

Recommendation / Declaration of Dividend :

Subject to the provisions of the Companies Act, the Board shall recommend/declare/ pay the Dividend only out of

i) Current financial year's profit:
   a) after providing for depreciation in accordance with law;
   b) after transferring to reserves such amount as may be prescribed under the Companies Act or applicable law, regulations, norms or as may be otherwise considered appropriate by the Board at its discretion.

ii) The profits for any previous financial year(s): a) after providing for depreciation in accordance with law; b) remaining undistributed; or

iii) out of i) & ii) both.

iv) out of free reserves in the manner permissible under the Companies Act.

Factors to be considered while declaring Dividend :

The decision regarding dividend is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding dividend is subject to several factors and hence any optimal policy in this regard may be far from obvious. The Board considers a stable dividend to constitute an important element of the Company's investment attractiveness and shareholder return. As a leading Asset Financing Company operating in rapidly developing, yet volatile, markets, its primary need is to maintain sufficient resources and financial flexibility to meet financial and operational requirements. The Company continually seeks ways to create shareholder value through both commercial and financial strategies, which may include both organic and inorganic development as well as the Company's capital management practices.

The shareholders of the Company may not expect dividend for a financial year(s) in the circumstances of challenging/ sluggish market conditions, tough liquidity position, losses or inadequate profits.

The decision regarding recommendation / declaration of dividend will depend upon various external and internal factors including the following:

External Factors:-

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

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

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

Internal Factors:-

Apart from the various external factors aforementioned, the Board will take into account various internal factors while recommending / declaring Dividend, which inter alia will include

i) Profits earned during the year;

ii) Present and future capital requirements of the existing businesses; / capital expenditures and the Company's debt position

iii) Business Acquisitions opportunities;

iv) Expansion/ Modernization of existing businesses; / growth opportunities available to the Company

v) Additional investments in subsidiaries/associates of the Company;

vi) Fresh investments into external businesses;

vii) Cash flow from operations

viii) Cost of raising funds

ix) Providing for unforeseen events and contingencies with financial implication.

x) Any other factor as deemed fit by the Board.

Process for approval of Payment of Interim and Final Dividend

- The Company will give prior intimation of 2 working days to Stock Exchanges (excluding the date of intimation and the date of the Board meeting) of date of Board Meeting in which the declaration / recommendation of dividend will be considered.
- The Company will inform about the decision taken by Board regarding dividend to Stock Exchange within 30 minutes of the closure of the Board Meeting.
- The Company will fix Record date for the purpose of determination for list of shareholders eligible to receive dividend.
- The Company shall recommend or declare dividend at least 5 working days (excluding the date of intimation and the record date) before the record date is fixed for the purpose.
- The intimation for fixing Record date shall be given to exchange at least seven working days in advance (excluding the date of intimation and the record date).

In the event of any amendment in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law with respect to the process of recommendation/approval/payment of dividend, the same shall prevail and shall be deemed to form part of this policy.

Transfer of Unpaid / Unclaimed Dividend and Equity Shares to Investor Education and Protection Fund (IEPF)

As per section 124(5) of the Companies Act, the dividend which remains unpaid / unclaimed for a period of 7 years from the date of transfer to unpaid dividend account shall be transferred by the Company to IEPF.

Utilisation of Retained Earnings

The Retained earnings strengthen the Company's net owned funds. It will further help in maintaining Capital Adequacy Ratio (CAR) for Non-Banking Financial Companies (NBFCs) in the growth phase. The Board from time to time will decide utilization of the retained earnings depending upon various factors including organic / inorganic growth strategies of the Company, market competition, creating long term shareholder value etc.

The Board will ensure judicious balancing of these factors in the interest of the Company and its stakeholders.

Dividend Pay-out Range

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in business with the shareholders' funds in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors, the Board may consider maintaining a Dividend Pay-out ratio in the range of 20-25% of the profits after tax (PAT), subject to applicable regulations. However, the Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision.

Review

This policy is in accordance with SEBI Circular No. SEBI/ LAD-NRO/GN/2016-17/008 dated 08th July, 2016. The same will be reviewed by the Board periodically for additions, deletions, changes or alterations in the parameters, process of recommendation/ declaration/ pay-out of dividend considered in the policy and in line with changes in regulations as applicable to the Company.

ANNEXURE - A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Shriram Transport Finance Company Limited
Sri Towers, Plot No.14A, South Phase,
Industrial Estate, Guindy,
Chennai – 600 032, Tamil Nadu.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Shriram Transport Finance Company Limited** having CIN L65191TN1979PLC007874 and having registered office at Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032 (hereinafter referred to as 'the Company'), produced before us by the Company in electronic mode, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Lakshminarayanan Subramanian	02808698	22/09/2009
2	Umesh Govind Revankar	00141189	25/10/2016
3	Kishori Jayendra Udeshi	01344073	30/10/2012
4	Srinivasan Sridhar	00004272	20/10/2014
5	Ravi Devaki Venkataraman	00171603	18/06/2015
6	Panja Pradeep Kumar	03614568	25/10/2018
7	Ignatius Michael Viljoen	08452443	14/05/2019*

*Appointed in the Board Meeting held on 8th May, 2019. The appointment was effective from the date of allotment of the Director Identification Number.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

For SPNP & Associates

Nithya Pasupathy
F.C.S. No. **10601**
C.P. No.**22562**
UDIN: F010601C000212121

Place : Chennai
Date : April 29, 2021

CEO/CFO CERTIFICATION

To,

The Board of Directors of Shriram Transport Finance Company Limited

We, to the best of our knowledge and belief, certify that-

A. We have reviewed financial statements and the cash flow statements for the year ended March 31, 2021 and that to the best of our knowledge and belief;

   1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that;

1) there were no significant changes in internal controls over financial reporting during the year;

2) there are no significant changes in accounting policies during the year, and

3) there were no instances of significant fraud of which we are become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

UMESH REVANKAR
Vice Chairman & Managing Director

PARAG SHARMA
Joint Managing Director & CFO

Mumbai
April 29, 2021

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

The Board of Directors of Shriram Transport Finance Company Limited at its Meeting held on January 29, 2005 adopted Code of Conduct as amended on October 27, 2010 to be followed by all Members of the Board and Senior Management Personnel of the Company respectively in compliance with the Regulation 17(5) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations,2015 with the Stock Exchanges where the shares of the Company are listed.

As per Regulation 17(5) and Regulation 26(3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations,2015 executed with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2021.

UMESH REVANKAR
Vice Chairman & Managing Director

Mumbai
April 29, 2021

BUSINESS RESPONSIBILITY REPORT (BRR)

FY 2020-21

Preface

As mandated by the Securities and Exchange Board of India (SEBI), India's top 1000 listed entities based on market capitalisation on the BSE and NSE, are required to submit a 'Business Responsibility Report' (BRR) along with their Annual Report for FY 2020-21. This report is required to be in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

As one of the pioneering companies in the financing of pre-owned and new commercial vehicles in India, we have adopted the NVG and BRR requirements both in letter and spirit. Our commitments, business decisions and activities are all aligned to the principles and to ensure strong governance around this, the business responsibility performance is assessed annually by the Board of Directors.

Section A	**General information about the Company**	
1	Corporate identification number	L65191TN1979PLC007874
2	Name of the Company	Shriram Transport Finance Company Limited ("the Company")
3	Registered address	Sri Towers, Plot No.14A, South Phase, Industrial Estate, Guindy, Chennai, Tamil Nadu – 600 032
4	Website	www.stfc.in
5	Email address	secretarial@stfc.in
6	Financial year reported	1 April 2020 – 31 March 2021
7	Sector(s) that the Company is engaged in	Financial Services (64920 – Other Credit Granting)
8	Three key products/services manufactured/ provided by the Company	The Company is engaged in Pre-owned and new commercial, passenger vehicles, tractors, 3 wheelers, multi-utility vehicles, etc. and ancillary services (finance for working capital, engine replacement, small business finance loans, tyre-loans and fuel loans as holistic financing support)
9	Total number of locations where business activity is undertaken by the Company	(i) International: Nil (ii) National: 1817 Branches
10	Markets served by the Company	India

Section B	**Financial details of the Company**	
1	Paid up capital (INR)	253.06 Crores
2	Total turnover (INR)	17,436.40 Crores
3	Total profit after tax (INR)	2,487.26 Crores
4	Total spending on CSR as percentage of profit after tax (%)	2.61 %
5	List of the activities in which expenditure in 4 above has been incurred	Refer Pages from 31 to 38 of our Annual Report for FY 2020-21 for a detailed disclosure of our CSR activities.

Section C	**Other details**	
1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)	Not Applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	Not Applicable

Section D	BR information	
1a	Details of Director(s) responsible for BR	
	DIN	00141189
	Name	Mr. Umesh Revankar
	Designation	Vice Chairman & Managing Director
1b	Details of BR Head	
	Name	Mr. S. Sunder
	Designation	Joint Managing Director
	Telephone Number	+91-022-40959595
	Email.id	secretarial@stfc.in
2	Principle-wise BR policy/policies	Included in this report
3	Governance related to BR	Included in this report

Section E	Principle-wise performance	
1	Principle-wise performance	Included in this report

1) Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)

(a) Details of Compliance (Reply in Y/N)

Sr. No	Questions	Ethics, Transparency & Accountability	Sustainable Products and Services	Wellness of Employees	Stakeholder Engagement	Human Rights	Environment Policy	Public & Regulatory Policy	Inclusive Growth	Value to Customers & Consumers
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	N	Y	Y	N	Y	N	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	**Indicate the link for the policy to be viewed online?**	i. The Code of Conduct of the Company - **https://cdn.stfc.in/common/codeofconduct.pdf**								
		ii. The Whistle Blower Policy / Vigil Mechanism - **https://cdn.stfc.in/stfc/uploads/2019/12/Whistle-Blower-Policy-Vigil-Mechanism.pdf**								
		iii. The Fair Practice Code of the Company is available at - **https://www.stfc.in/investors/fair-practice-code-fpc/**								
		iv. Corporate Social Responsibility Policy - **https://bit.ly/3hgGqyW**								
		v. Business Responsibility Policy – **https://bit.ly/3tJdn9M**								
		vi. Note: The remaining policies of the Company are internal documents and are not accessible to the public.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	N	N	N	N	N	N	N	N

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

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

2) Governance related to BR

The Business Responsibility Performance is being monitored by the Board of Directors of the Company. The Company has been publishing the Business Responsibility (BR) Report annually.

SECTION E

Principle - Wise Performance

Ethics of the Company

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability:

We are committed to adhering to the highest standards of corporate governance practices. Trust, Integrity and Credibility form the foundational pillars of our business and Transparency, Accountability and Ethics are our core values. In order to uphold the values across all the levels within the organization, we have introduced a set of guidelines and policies including our Internal Code of Conduct which covers an extensive list of concerns such as anti-bribery, anti-corruption, the prevention of sexual harassment at the workplace, etc. which do not correspond with the Company's core values.

We adhere to a Fair Practices Code (FPC), issued by the Reserve Bank of India, which is applicable for all Non-Banking Financial Companies. This guideline, inter alia, covers disclosures on the terms and conditions of a loan and mentions adoption of a non-coercive recovery method. As part of the FPC, we also have a Grievances Redressal Mechanism and a Whistle Blower Policy/Vigil Mechanism. While Grievances Redressal Mechanism is aimed at ensuring excellent customer service, Whistle Blower Policy/Vigil Mechanism gives liberty to our employees to raise concerns, via mobile application, regarding any violations of the values and Code of Conduct. With respect to this there were no code of conduct violations reported during FY 2020-21.

Our Company also complies with Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). Concerned employees are covered by this Code of conduct for regulation of trades by designated persons, pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019. These policies are reviewed periodically and updated as required. Any non-compliance with these policies is viewed seriously by the Boards and actions commensurate with proven violations are initiated as required. No stakeholder complaints linked to adherence of Code of Conduct were received by the Company in the reporting year.

It is mandatory for all our employees to adhere to the Company guidelines and policies in order to promote integrity within the organisation and a healthy work environment.

In addition to these we also have a set of guidelines specifically applicable for Board Members and Senior Management. These guidelines cover Terms & Conditions for Independent Directors, Code for Independent Directors and Remuneration Policy. The guidelines and policies also cover the composition of the Board, their roles and responsibilities, duties, and powers pertaining to decision making. The guidelines are designed to endorse the highest standards of ethical conduct and integrity and all Directors and Senior Management personnel have affirmed compliance with this Code of Conduct. The Annual Report contains a declaration to this effect that is signed by the Vice Chairman & Managing Director.

All the guidelines and policies are regularly reviewed, updated and upgraded to comply with all the applicable local, national and international laws and modifications within the Company.

Contribution to Sustainability

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

We do not procure any raw material or natural resources and do not manufacture any physical goods for our business operations. We are primarily engaged in the business of financing pre-owned (up to 12 years old) and new commercial vehicles. In case of pre-owned vehicles, we have an eligibility checklist which includes checking authorizations/ certificates for safety and fitness of the vehicle along with the emissions generated. Our product offerings are value-added, simple to understand and responsive to the needs of the customers and has a wide reach in providing financing service in rural as well as urban areas. We predominantly provide services to the unorganized sector and economically weaker classes, which are otherwise deprived of the benefits of financial inclusion. About 70-75% of our operations are based in the rural areas of the country.

The products have been designed to ensure that the customers can meet their financial goals and are able to achieve financial independence. We believe trust is the key towards building a healthy relationship with our customers for a fruitful engagement. To this end, we have adopted a system where front-line executives are trained and given responsibility of managing the complete cycle of engaging with customers i.e. from on-boarding till the account has been closed.

Our product portfolio promotes the UN SDG 9 – Industry, Innovation, & Infrastructure, and comprises of a range of offerings for its customers covering all aspects of the road transportation business, apart from financing pre-owned and new commercial vehicles, other financing solutions for working capitals, vehicle tyre and engine parts replacement expenses, toll expenses, etc. at affordable rates which leads to livelihood generation and alleviation of poverty.

Employee Well-Being

Principle 3: Business should promote wellbeing of all employees

We are committed to the well-being and all-round development of all our employees. Employees are an essential part of our success and we invest in their long-term growth and development. We provide equal opportunities to all. Our employees belong to all parts of the country and they are recruited based on their willingness to learn and grow.

Our workforce consists of 24,452 employees. There are 1200 permanent women employees and 23 permanent employees with disabilities. Our Board of Directors has one woman Director while there are three women in key management roles. All our employees covered by health insurance, accident insurance, Maternity benefits, Paternity benefits, Day care facilities.

We regularly engage with our employees and conduct learning and development programmes to provide them with opportunities to gain wider professional exposure. This includes the Mycoach E-Learning Platform which covers all our products and processes along with the Mybook and Quiz Platforms acting as additional tools to upgrade the knowledge.

Furthermore, we also focus on the continual education of our employees and provide opportunities for their academic and professional development through the Management Education Scheme under which the employees can pursue a distance MBA course designed to be at par with the courses offered by other management institutes of the country for our front-line executives. Employees who have availed the benefits of this scheme and successfully completed the program act as a mentor during on the job trainings and provide guidance as and when required to their colleagues.

We provide Group Medical (covering employee, spouse and two children), Accident and Life Insurance policy to all employees. Additionally, we organize free medical check-ups and yoga sessions to promote health consciousness. Also, employees have free access to the leadership team to share opinions and feedback. Keeping this in mind we have "Shri Guru" a chatbot facility used to raise queries pertaining to products and processes.

Our Company's monthly newsletter "ShriConnect" is used for internal communication with employees about initiatives and updates. We have Employee Rewards Program designed to highlight contributions of individual employees and formally appreciate their efforts. Reward points are added to each employee's account based on some pre-determined criteria.

We endorse a high-performance culture and periodically organize training programmes for enhancement of skills of employees. During the COVID-19 lockdown, refresher trainings were organised to educate them on safety and hygiene related precautions. Safety and emergency equipment like fire alarm systems and fire extinguishers are installed in our offices and employees are trained to operate the same.

In light of the COVID-19 pandemic, we have taken several steps to minimize its impact on our operations and ensure the well-being of our people. These include distribution of PPE kits, daily sanitization of offices by professional agency, online attendance system, installation of motion sensor water taps in bathrooms and installation of sanitizer/handwash dispensers in the premises. Employees residing in the Mumbai and Navi Mumbai/MMR region have the facility to avail transportation facilities and the vehicles are regularly cleaned and sanitized. To uphold the COVID-19 precautions, vendors and service providers, who are not a part of our Company but are essential for smooth functioning, can only visit the premises during weekends so that there is minimal COVID-19 infection risk for all. Drinking water facility is provided for all employees in office and regular testing of the water is carried out to maintain its quality.

Our Company prohibits discrimination on the basis of race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability, harassment, whether sexual, verbal, physical or psychological against any employee.

In order to prevent any kind of discrimination and to propagate SDG 5 – Gender Equality, we have adopted various policies and procedures within the Company. Our business model and field level operations are mainly male dominated however, as a policy we are constantly trying to increase the women workforce in support functions of the organisation.

The Policy on Prevention of Sexual Harassment at Workplace (POSH)ensures the safety and security of female employees. Each complaint of sexual harassment is investigated by an independent Committee chaired by women employee and consisting of various internal and external female members, providing full anonymity to the complainant and in cases where evidence of harassment is found, strict disciplinary action is initiated. All sexual harassment cases are reviewed and followed up by the Audit Committees. The premises are also equipped with CCTV cameras for security monitoring to ensure employees have a safe place to work. The Company also conducted an exhaustive video-based learning module for all employees for an awareness and compliance perspective on POSH.

Our Company forbids child labour and did not receive any complaints relating to child labour, forced labour or involuntary labour in FY 2020-21. One sexual harassment case was reported during the reporting year which was resolved immediately.

Stakeholder Engagement

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

We are an equal opportunity employer and our remuneration practices are based on merit, irrespective of the person's ethnic background, gender or other personal considerations. Remuneration is periodically assessed and updated to be in line with the market benchmarks. In addition, we ensure there is no discrimination of any type against the disadvantaged sections at the workplace.

To further support the disadvantaged sections of the society, we have adopted initiatives focussed on the commercial driver community where we have the resources and reach to make a significant positive impact. Training programs in association with the Logistics Sector Skill Counsel (LSC) are organised for new and experienced drivers. The 280 hours long training program for new drivers includes driving basics, classroom sessions and on road practice, safety precautions, sanitation and hygiene aspects along with soft skill development initiatives such as English language classes, daily Yoga sessions, grooming etiquettes and regular health check-ups. The refresher trainings for experienced drivers are more focused on safety, sanitation & hygiene, grooming etiquettes and soft skills. Subsequent to the completion of trainings, all the participants are given a certificate from LSC, equivalent to a Vocational Training Diploma Certificate and we also sponsor the license fee for the successful candidates.

This initiative has generated livelihood opportunities for the unemployed youth of the country and majority of the individuals are able to secure a job in logistics and transportation divisions of leading corporates across the country. It is a matter of great pride for us that women candidates trained as part of this initiative have been given employment opportunity as bus drivers by the Tamil Nadu State Transport and that the Municipal Corporation of Indore City in Madhya Pradesh state has made it mandatory for its drivers involved in the waste collection activities, to be trained under this program.

This employability initiative is our humble contribution to the Skill India campaign of the Indian government to make the youth of the country skilled and earn a better livelihood.

HUMAN RIGHTS

Principle 5: Businesses should respect and promote human rights

It is our constant endeavour to uphold human rights of all our employees as manifested in the Constitution of India. Our Company values integrity of all regulations and ensures compliance with all applicable laws in this regard. We pay fair wages to all the employees without any discrimination and treat everyone with dignity. Employees are given opportunities based on their merit and equal benefits are provided to all. Our employees have freedom to raise concerns and provide feedback to the management.

We did not receive any complaint pertaining to violation of human rights in FY 2020-21.

ENVIRONMENTAL PROTECTION

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

We do not have any manufacturing units that produce toxic wastes and effluents which harm the environment. As a result, our business operations do not have any direct, significant negative environmental impacts. However, we acknowledge the important of environmental protection and strive to identify opportunities to be environmentally friendly in all our activities.

As a step towards further reducing the environmental impact in our offices, a significant extent of our processes which were earlier paper based are now digital. Initial loan applications and the agreement are still required to be in hardcopy; however, we are making progress to move those to digital mode as well. We have appealed to our shareholders to opt for soft copies of annual reports and other relevant documents to reduce the consumption of paper. Facility for direct dividend credit to their bank accounts as an alternative of physical dividend warrants is also available and encouraged. For other payments such as payment of interest, dividend, maturity amount of debentures and fixed deposits etc. also we use electronic mediums (like NECS, NEFT, RTGS) to ensure paperless, faster, safer and secure fund transfer. These initiatives are in line with the Company's aim of being a paperless office.

We have also taken initiatives to ensure energy efficiency at our offices. Obsolete technology and outdated gadgets are regularly replaced with more efficient alternatives, conversion of incandescent lightening fixtures to LED is being done in a phase wise manner, optimized usage of lights is promoted and only 5 star rated air conditioning equipment are permitted under new purchases at our offices. We have stopped the use of DG Sets in our offices and have shifted to inverters in most of the offices. To maintain the efficiency, regular electricity audits are conducted for all major offices. Apart from this, to reduce employee travel, video conferencing facilities have been installed in all corporate and zonal offices, leading to lower energy use and carbon footprint. Eco-friendly paint is used for office interiors to reduce the adverse impacts of lead containing toxic fumes from paint.

Our endeavour to create a positive impact on the environment is manifest in our financing, as we only finance vehicles which are tested for compliance on Government prescribed emission limits. We encourage our customers to replace their old vehicles with better, more efficient models and thus contributing towards to the overall environmental quality. In the process of loan disbursement, fitness certificate of the financed vehicle for safe driving is mandatory along with the insurance policy which has to be renewed regularly.

In order to maintain the efficiency of vehicles and in turn ensure minimal adverse impacts on environment, we provide financial assistance to our customers for replacement of tyres and engine parts. Awareness campaigns are also organized on how to obtain a proper PUC certificate for vehicles and its periodic renewal. We also ensure that all the financed vehicles receive regular maintenance and drivers are aware of all the environmental aspects related to their vehicles and encourage usage of vehicles running on cleaner fuels.

Furthermore, we have adopted an Environment Policy to create awareness about environmental protection among our employees and customers. Our Loan Disbursement Policy is aligned with the Environment Policy in terms of institutionalizing environmental aspects during the loan disbursement as described above.

RESPONSIBLE ADVOCACY

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

We are a member of the Finance Industry Development Council (FIDC), Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) along with various other state/ city level associations. Through these industry associations we actively engage in policy advocacy and proactively contribute to the discussions and resolutions on various industry issues within the scope of the above-mentioned associations.

We routinely put forward our views on formulation of new industry standards and regulatory developments pertaining to non-banking finance and in the best interest of the commercial vehicle financing segment of the industry and small road transport operators which include aspects such as governance, administration, economic reforms and inclusive development policies, among others. We consistently attempt to balance the interests of various stakeholders while making any recommendations in this regard.

INCLUSIVE GROWTH

Principle 8: Businesses should support inclusive growth and equitable development

Inclusive growth and equitable development are at the core of our business philosophy and this is evident in the market segments served by our Company. Our business model revolves around the concept of financial inclusion and provides financing solutions at affordable interest rates and favourable repayment terms to the Small Road Transport Operators (SRTOs) and First Time Buyers (FTBs) primarily from the unorganised weaker sections of the society.

Our aim is to propagate financial advancements by helping unemployed individuals in setting up their own road transportation business in areas where there is a lack of financial services such as the rural areas and social-economically disadvantaged sections of the country.

We strongly believe in giving back to the society and this is the guiding principle around which all the Corporate Social Responsibility (CSR) activities are undertaken. Our aim is to improve the quality of life of the trucking community which includes the truck drivers as well as their families. During FY 2020-21, we contributed INR 64.96 Crores towards CSR activities and the initiatives are mainly segregated into three categories mainly viz. Preventive Healthcare, Education and Skill Development. For the implementation of these projects, we have partnered with various agencies such as Shriram Seva Sankalp Foundation, Buddy4study, Terna Public Charitable Trust, DB Skills Foundation, Piramal Swasthya Management & Research Institute.

Additionally, we have also contributed INR 3.46 Crores as financial support for projects such as construction of toilets cum bathroom, desilting of temple tanks in the Southern parts of India and preservation of arts, culture & heritage. Our consistent efforts and outreach initiatives for the betterment of the society over the last 15 years has helped a total of 7,25,143 number of individuals in gaining health and sanitation awareness, provided holistic education to 1,50,921 number of students and generated livelihood for 10,762 number of families.

Details of the financial support provided during FY 2020-21: please refer to Annexure I of Directors' Report.

Following are the highlights of key CSR projects undertaken by us in FY 2020-21:

Preventive Healthcare

The initiative endorses the National Health Mission's (NHM) vision of quality and affordable health services for all. We have partnerships with various NGOs, Government and Private Parking Associations and a third-party contractor, where Mobile Medical Units (MMUs) are stationed near the truck parking areas. These MMUs are well equipped to provide free-of-cost medical check-ups, conduct preliminary laboratory tests and prescribe basic medicines to the truck drivers as these individuals are often isolated from the conventional healthcare services owing to the constant travelling. The MMUs have provisions for screening, diagnosis and treatment of non-communicable, communicable diseases, along with minor ailments and via these 46,172 laboratory tests have been conducted as on 31st of March 2021.

The programs also address concerns such as appropriate hygiene maintenance, upkeep pertaining to sanitation and COVID-19 precautions along with relevant safety aspects to be kept in mind. Health camps and Counselling services focusing on the importance of good mental health essential for preventing accidents and to ensure a safe driving experience for all and discussions on perils of tobacco consumption are also organised.

At present the program is live across 15 locations 11 states in India and so far, 1,12,138 people, majority from the trucking community, have availed the benefits of the initiative via 3210 health camps. The financial support of INR 12.29 Crores has been provided till 31st of March 2021.

Education

We provide merit-based scholarships to the children of trucking community and contributes towards SDG 4 – Quality Education. The initiative is divided into two categories – Secondary Education (for Students studying in Classes 8th to 12th) and Higher Education (for ITI/Diploma/Graduation or Engineering). Students are selected through state/district level transport associations along with various NGO tie-ups.

The scholarships are aimed at providing inclusive and quality education for all and apart from scholarships, we also support 200 single teacher schools in Tamil Nadu's Tiruvallur and Kancheepuram districts.

We have provided financial support of INR 45.73 Crores for this project and have covered 1,605 students under the Buddy4Study program for Higher education and 28,191 students under the School Scholarship Scheme, grants provided to the Chennai Mathematical Institute, Swami Vivekananda Rural Development Society for Single Teacher Schools from all over the country as on 31st of March 2021.

Skill Development

India is amongst the youngest and most populous nations in the world. The median age of the country is 28 years old as per the UN World Population Prospects 2019 (Population Division, Dept. of Economic & Social Affairs). We consider this to be a great opportunity and source of strength for our country's growth.

In order to be a part of the Skill India mission launched by the Government of India and ensure the demographic advantage of the country is promoted for the advancement of the society, we have initiated various skill development programs which also contribute towards SDG 1 – No Poverty, SDG – 8 Decent Work & Economic Growth, SDG 9 Industry, Innovation, & Infrastructure, and Goal 10 - Reduced Inequalities.

Our objective is to transform the driver community from an unorganized sector to a well-managed professionally empowered skill segment. To this end, we organize training programs related to the driving of light motor vehicles (LMVs) and heavy motor vehicles (HMVs) for skilling, re-skilling and up-skilling of commercial vehicle drivers.

The target population for these trainings are primarily unemployed/low income youths from rural and urban areas. The training programs cover all the aspects essential for a road transport business and driving, including etiquettes & soft skills, defensive driving, digital and financial literacy among others. A preventive health check-up and final evaluation along with a certificate from Automotive Skills Development Council (ASDC) are provided upon completion of the advanced driver training program. Through this initiative we have covered 5006 candidates, and majority of the trainees have got employment in the logistics industry. For this initiative financial support of INR 3.55 Crores have been provided till 31st of March 2021.

RESPONSIBILITY TOWARDS CUSTOMERS

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

We have a proven track record of excellent customer service and have consistently maintained one of the lowest complaints' ratio in terms of the number of complaints to the number of loans granted.

We have a track record of loyal customers who were able to achieve financial independence through the long-term relationship with our Company. We are committed to creating value for our customers by providing products and services and building long-lasting relationships with them.

Our effective implementation of the Fair Practice Code for redressal of customer grievances ensure that settlement of insurance claims, renewal of insurance policy, obtaining of permits from RTOs and refurbishments of vehicles via partner service centres are hassle-free processes and the customers are well informed and attended to in a cordial, efficient and effective manner. We also sponsor various welfare programs for our customers and their families to ensure their well-being and promote a good relationship.

We consider customers to be a part of the Shriram Family, so to ensure excellent customer service for all, a system has been introduced wherein dedicated front-line executives assigned to all customers who are responsible for the interactions and addressing customer needs. The executive is responsible for the entire cycle of customer engagement, including onboarding, loan application processing, loan repayment and interest collections. We also have a provision where after a loan account is closed, the customer data is stored for a period of three years, so if any customer needs another loan, they can easily connect with their assigned executive and share the details of loan required without any extra formalities as the background details are already available in our database.

BUSINESS RESPONSIBILTY PARAMETER INDEX

Principle-Wise Performance

	Principle 1	
1)	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Yes, the policy covers only the Company
2)	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Nil
	Principle 2	
1)	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company provides financing solutions for pre-owned and new commercial vehicles.
2)	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable
3)	Does the company have procedures in place for sustainable sourcing (including transportation)? a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Not Applicable
4)	Has the company taken any steps to procure goods and services from local & small producers (including communities surrounding their place of Work)? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company gives preference to local recruitment as the services relating to vehicle financing and operated through its branches and rural service centres.
5)	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so	Not Applicable
	Principle 3	
1)	Please indicate the Total number of employees.	24,452
2)	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	Nil
3)	Please indicate the Number of permanent women employees	1,200
4)	Please indicate the Number of permanent employees with disabilities	23
5)	Do you have an employee association that is recognized by management	Not Applicable
6)	What percentage of your permanent employees are members of this recognized employee association?	Not Applicable

7)	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	
	a) Child labour/forced labour/involuntary labour	a) Nil
	b) Sexual harassment	b) One
	c) Discriminatory employment	c) Nil
8)	What percentage of your, under mentioned, employees were given safety & skill up-gradation training in the last year?	50% employees were given safety and skill training programmes in the last year
a)	Permanent Employees	a) 47.25%
b)	Permanent Women Employees	b) 2.75%
c)	Casual/Temporary/Contractual Employees	c) Nil
d)	Employees with Disabilities	d) Nil

Principle 4

1)	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2)	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes
3)	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes, please refer to the Principle 4 of the Report

Principle 5

1)	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Yes, the policy extends only to the Company
2)	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint was received for human rights violation during the last financial year.

Principle 6

1)	Does the policy, related to Principle 6, cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	Yes, the policy extends only to the Company
2)	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, we have environment policy in place. We have undertaken the initiative of transforming into a paperless office.
3)	Does the company identify and assess potential environmental risks? Y/N	No
4)	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5)	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	No

6)	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?	Not Applicable
7)	Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Not Applicable

Principle 7

1)	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, we are member of Finance Industry Development Council (FIDC), Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) and various other state/ city level associations.
2)	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, Governance and Administration

Principle 8

1)	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, please refer to the Principle 8 of the Report
2)	Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?	Yes, the projects are undertaken in consultation with the in-house team and external NGOs.
3)	Have you done any impact assessment of your initiative	No
4)	What is your Company's Direct contribution to community development projects - Amount in INR and the details of the projects undertaken?	Yes, please refer to the Section B of the Report
5)	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	Yes, we encourage our stakeholders to participate in initiatives.

Principle 9

1)	What percentages of customer complaints/ consumer cases are pending as on the end of financial year?	3.60%
2)	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A. /Remarks (additional information)	Not Applicable
3)	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so	No
4)	Did your company carry out any consumer survey/ consumer satisfaction trends?	No

SECRETARIAL COMPLIANCE REPORT OF SHRIRAM TRANSPORT FINANCE COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2021

I, P. Sriram, Proprietor of P. Sriram & Associates have examined:

(a) All the documents and records made available to us and explanation provided by Shriram Transport Finance Company Limited ("the listed entity"),

(b) The filings/ submissions made by the listed entity to the stock exchanges,

(c) Website of the listed entity,

(d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2021 ("Review Period") in respect of compliance with the provisions of:

  (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

  (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, including:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018,

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 *(Not Applicable to the company during the review period)*

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 *(Not Applicable to the company during the review period)*

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013 *(Not Applicable to the company during the review period)*

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; as amended

(i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(j) Securities and Exchange Board of India(Depositories and Participant) Regulations,2018; and circulars guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

  (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	NIL	NIL	NIL

  (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges *(including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL	NIL	NIL	NIL	NIL

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended… (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
NA	NA	NA	NA	NA

For P. Sriram & Associates

P. Sriram
FCS No.: 4862
C P No.: 3310
UDIN: F004862C000211992
PEER REVIEW NO: S2011TN155200

Place: Chennai
Date: April 29, 2021

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

FINANCIAL SECTION

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To the Members of
Shriram Transport Finance Company Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Shriram Transport Finance Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 63 to the standalone financial statements which describes the staging of accounts to whom moratorium benefit was extended and uncertainty caused by COVID-19 pandemic with respect to the Company's estimates of Impairment of loans to customers. Further, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Impairment Loss Allowance of loans and advances

Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Company has significant credit risk exposure considering the large loan portfolio across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the potential impact of unprecedented COVID 19 pandemic on asset quality and provision of the Company. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

Audit Procedures included but were not limited to the following:

We have started our audit procedures with understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.

We also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company which is based on and in compliance with

Ind AS 109 "Financial Instruments". Particularly we assessed the approach of the Company regarding definition of Default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.

For loans and advances which are assessed for impairment on a portfolio basis we performed particularly the following procedures:

- We tested the reliability of key data inputs and related management controls;
- We checked the stage classification as at the balance sheet date as per the definition of Default of the Company;
- We validated the ECL Model and its calculation by involving our Information Technology Expert;
- We have checked on sample basis that the stage classification for the borrowers has been given in accordance with the Resolution Framework issued by Reserve Bank of India (the 'RBI') and the Board approved policy for ECL provisioning and stage classification with respect to such accounts;
- We have verified whether the ECL provision is made in accordance with the Board Approved Policy in this regard;
- We have also calculated the ECL provision manually for selected samples;
- We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information and based on an event in a particular geographical range;
- We have reviewed the process of the Company to grant moratorium to the borrowers as per the Regulatory Package announced by the RBI. Further, we have relied on the assumption of the management that there will be no significant increase in the credit risk in the cases where moratorium is given and that the staging based on the days past due (DPD) will be considered as per the RBI COVID-19 Regulatory Package. We have tested on samples basis the DPD freeze for cases where moratorium is provided and not provided in accordance with RBI COVID-19 Regulatory Package;
- With respect to additional provision made by the Company on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company; and
- We have checked the provision on Loan Assets as per IRACP norms as required under RBI circular dated March 13, 2020. We have checked the DPD and provision in accordance with the RBI regulations in that regard further considering the Regulatory Packages issued by RBI dated March 27, 2020 and May 23, 2020 and RBI circular dated April 17, 2020.

For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regards along with its compliance on sample basis.

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets

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

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 49 on Contingent Liabilities to the standalone financial statements;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the standalone financial statements;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No : 103523W/W100048

Sumant Sakhardande
Partner
Membership Number: 034828
UDIN: 21034828AAAACL9851

Place: Mumbai
Date: April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No: 309015E

Pijush Kumar Gupta
Partner
Membership Number: 015139
UDIN: 21015139AAAAAT4693

Place: Gurugram
Date: April 29, 2021

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Shriram Transport Finance Company Limited on the standalone Ind AS financial statements for the year ended March 31, 2021]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) Based on the examination of the registered sale deed/transfer deed and other relevant records evidencing title / possession provided to us, we report that, the title deeds of all the immovable properties comprising of land and buildings which are freehold other than self - constructed assets included in Property, Plant and Equipment, are held in the name of the Company as at the balance sheet date.

(ii) The Company is in the business of providing services and does not have any inventory. Accordingly, clause 3(ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has complied with the provisions of sections 185 and 186(1) of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable. Further, the provisions of Section 186, except for Section 186(1), of the Act are not applicable to the Company as it is engaged in the business of financing.

(v) In our opinion, the Company has complied with the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Act and the rules framed there under with regard to the acceptance of deposits. Further, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), cess and any other material statutory dues applicable to it. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) As informed, the provisions of customs duty and excise duty is not applicable to the Company. The dues outstanding with respect to, income tax, sales tax, service tax, value added tax and GST on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount* (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax demands	13.44	A.Y. 2017-18	Assessing Officer
Income Tax Act,1961	Income Tax demands	26.10	A.Y. 2016-17	Assessing Officer
Income Tax Act,1961	Income Tax demands	5.46	A.Y. 2014-15	Madras High Court
Income Tax Act,1961	Income Tax demands	5.79	A.Y. 2014-15	Assessing Officer
Income Tax Act,1961	Income Tax demands	1.80	A.Y. 2014-15	CIT (Appeals)
Income Tax Act,1961	Income Tax demands	1.53	A.Y. 2013-14	Madras High Court
Income Tax Act,1961	Income Tax demands	5.02	A.Y. 2013-14	Assessing Officer

ANNEXURE 1

TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Name of the statute	Nature of dues	Amount* (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax demands	0.47	A.Y. 2012-13	Madras High Court
Income Tax Act,1961	Income Tax demands	5.27	A.Y. 2012-13	Assessing Officer
Income Tax Act,1961	Income Tax demands	10.00	A.Y. 2011-12	Assessing Officer
Income Tax Act,1961	Income Tax demands	9.21	A.Y. 2010-11	Assessing Officer
Income Tax Act,1961	Income Tax demands	10.26	A.Y. 2009-10	Madras High Court
Income Tax Act,1961	Income Tax demands	1.84	A.Y. 2008-09	Madras High Court
Income Tax Act,1961	Income Tax demands	0.27	A.Y. 2007-08	Madras High Court
Income Tax Act,1961	Income Tax demands	0.08	A.Y. 2006-07	Assessing Officer
Finance Act, 1994 (Service tax)	Service tax on hire purchase and lease transaction	204.89	1st April 2003 to 28th February 2006	Commissioner of CGST & Central Excise
Finance Act, 1994 (Service tax)	Service tax on hire purchase and lease transaction	5.72	1st March 2006 to 31st March 2010	Supreme Court
Finance Act, 1994 (Service tax)	Service tax demand on securitisation collection commission	192.88	F.Y. 2008-09 to 2014-2015	CESTAT (Custom, Excise and Service tax appellate tribunal)
Finance Act, 1994 (Service tax)	Service tax on interest on hypothecation loans	1,392.72	F.Y. 2005-06 to 2015-16	Mumbai High Court
Finance Act, 1994 (Service tax)	Service tax on interest on hypothecation loans	375.94	F.Y. 2016-17 and April 01, 2017 to June 30, 2017	The Company is in the process of filing an appeal with Mumbai High Court.
Maharashtra Value Added Tax	Value added tax	0.00#	F.Y. 2005-06	Maharashtra Sales Tax Tribunal
Maharashtra Value Added Tax	Value added tax	0.00#	F.Y. 2006-07	Deputy Commissioner of Sales Tax - Appeals – Mumbai
Maharashtra Value Added Tax	Value added tax	5.40	F.Y. 2007-08 to 2013-14	Maharashtra Sales Tax Tribunal
Maharashtra Value Added Tax	Value added tax	0.79	F.Y. 2014-15	Joint Commissioner of Sales tax
Maharashtra Value Added Tax	Value added tax	0.21	F.Y. 2012-13 to 2013-14	Deputy Commissioner of Sales Tax - Appeals - Mumbai
Maharashtra Value Added Tax	Value added tax	0.01	F.Y. 2014-15	Joint Commissioner of Sales tax
Maharashtra Value Added Tax	Value added tax	0.02	F.Y. 2015-16	Joint Commissioner of Sales tax
Maharashtra Value Added Tax	Value added tax	0.29	F.Y. 2016-17	Joint Commissioner of Sales tax

Name of the statute	Nature of dues	Amount* (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Value Added Tax	Value added tax	3.48	F.Y. 2005-06 to 2008-09	High court of Telangana
Andhra Pradesh Value Added Tax	Value added tax	3.27	F.Y 2009-10 to 2010-11 and 1st April 2011 to 31st August 2012	High court of Telangana
Andhra Pradesh Value Added Tax	Value added tax	0.12	F.Y. 2010-11 to 2012-13	High court of Telangana
Rajasthan Value Added Tax	Value added tax	1.16	F.Y. 2006-07 to 2011-12	High Court of Rajasthan
Rajasthan Value Added Tax	Value added tax	1.59	F.Y. 2012-13 to 2015-16 And 1st April, 2016 to 4th Nov 2016	Rajasthan Tax Tribunal, Ajmer
Karnataka Value Added Tax	Value added tax	8.07	F.Y. 2010-11 to 2016-17	High court of Karnataka
Orissa Value Added Tax	Value added tax	0.09	F.Y. 2008-09 to 2012-13	Orissa Tax Tribunal
Telangana Value Added Tax	Value added tax	9.81	F.Y. 2013-14 to 2016-17 and April 17 to June 17	High Court of Telangana

*Above amounts are net of amount paid under protest, wherever paid.

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or dues to debenture holders. The Company has not taken any loan or borrowing from government.

(ix) The Company has prima facie utilized the moneys raised by way of further public offer (Rights issue) for the purpose for which they were raised. In our opinion, monies raised by the Company by way of debt instruments and term loans were applied for the purposes for which those were obtained, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No : 103523W/W100048

Sumant Sakhardande
Partner
Membership Number: 034828
UDIN: 21034828AAAACL9851

Place: Mumbai
Date: April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No: 309015E

Pijush Kumar Gupta
Partner
Membership Number: 015139
UDIN: 21015139AAAAAT4693

Place: Gurugram
Date: April 29, 2021

ANNEXURE 2

TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Shriram Transport Finance Company Limited on the standalone financial statements for the year ended March 31, 2021]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Shriram Transport Finance Company Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No : 103523W/W100048

Sumant Sakhardande
Partner
Membership Number: 034828
UDIN: 21034828AAAACL9851

Place: Mumbai
Date: April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No: 309015E

Pijush Kumar Gupta
Partner
Membership Number: 015139
UDIN: 21015139AAAAAT4693

Place: Gurugram
Date: April 29, 2021

BALANCE SHEET

AS AT MARCH 31, 2021

(Rs. in crores)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	8	11,050.93	3,088.99
(b) Bank balance other than (a) above	9	5,390.89	4,225.93
(c) Derivative financial instruments	10	169.25	758.73
(d) Receivables	11		
(I) Trade receivables		8.92	10.50
(II) Other receivables		49.90	5.64
(e) Loans	12	108,303.04	102,231.63
(f) Investments	13	3,197.85	2,798.48
(g) Other financial assets	14	49.03	38.70
Total financial assets		**128,219.81**	**113,158.60**
(2) Non-financial assets			
(a) Current tax assets (net)	15	171.73	249.10
(b) Deferred tax assets (net)	43	639.14	62.50
(c) Investment property	16	2.00	2.03
(d) Property, plant and equipment	17	124.44	149.88
(e) Right-of-use assets	18	308.51	334.29
(f) Other intangible assets	19	2.39	2.67
(g) Other non-financial assets	20	210.84	169.57
Total non-financial assets		**1,459.05**	**970.04**
Total assets		**129,678.86**	**114,128.64**
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables			
(I) Trade payables	21		
(i) total outstanding dues of micro enterprises and small enterprises		-	0.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		255.51	143.44
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.37	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.54	1.13
(b) Debt securities	22	40,061.87	34,266.96
(c) Borrowings (other than debt securities)	23	45,281.37	42,474.60
(d) Deposits	24	16,232.41	11,960.12
(e) Subordinated liabilities	25	4,620.76	5,670.07
(f) Lease liabilities	18	349.49	362.81
(g) Other financial liabilities	26	964.35	912.32
Total financial liabilities		**107,766.67**	**95,791.85**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	27	102.02	102.02
(b) Provisions	28	142.54	146.33
(c) Other non-financial liabilities	29	99.26	83.28
Total non-financial liabilities		**343.82**	**331.63**
Total liabilities		**108,110.49**	**96,123.48**
(3) Equity			
(a) Equity share capital	30	253.06	226.88
(b) Other equity	31	21,315.31	17,778.28
Total equity		**21,568.37**	**18,005.16**
Total liabilities and equity		**129,678.86**	**114,128.64**

See accompanying notes to the financial statements

As per our report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner

Membership No. 015139
Gurugram
April 29, 2021

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

(Rs. in crores)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
(i) Interest income	32	17,128.14	16,267.46
(ii) Dividend income		-	0.19
(iii) Rental income		0.21	0.22
(iv) Fees and commission income	33	115.86	194.97
(v) Net gain on fair value changes	34	21.80	11.92
(vi) Net gain on derecognition of financial instruments under amortised cost category		58.85	-
(vii) Other operating income	35	95.59	80.73
(I) Total Revenue from operations		**17,420.45**	**16,555.49**
(II) **Other income**	36	15.95	20.27
(III) Total Income (I + II)		**17,436.40**	**16,575.76**
Expenses			
(i) Finance cost	37	9,054.26	8,270.26
(ii) Fees and commission expense	38	78.89	56.88
(iii) Impairment on financial instruments	39	3,118.40	2,794.88
(iv) Employee benefits expenses	40	906.25	1,010.82
(v) Depreciation, amortisation and impairment	41	137.36	141.05
(vi) Other expenses	42	863.23	863.20
(IV) Total expenses		**14,158.39**	**13,137.09**
(V) Profit before exceptional items and tax (III - IV)		**3,278.01**	**3,438.67**
(VI) Exceptional items		-	-
(VII) Profit before tax (V+ VI)		**3,278.01**	**3,438.67**
(VIII) Tax Expense:			
(1) Current tax	43	1,197.77	921.20
(2) Deferred tax	43	(545.36)	14.79
(3) Tax adjustment for earlier years	43	138.34	0.84
(IX) Profit for the year from continuing operations (VII - VIII)		**2,487.26**	**2,501.84**
(X) Profit for the year		**2,487.26**	**2,501.84**
(XI) Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		-	(6.33)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	1.59
Subtotal (A)		**-**	**(4.74)**
B (i) Items that will be reclassified to profit or loss			
Cash flow hedge reserve			
Gain/(loss) on effective portion of hedging instruments in a cash flow hedge		(124.31)	-
(ii) Income tax relating to items that will be reclassified to profit or loss		31.29	-
Subtotal (B)		**(93.02)**	**-**
Other comprehensive income (A + B)		**(93.02)**	**(4.74)**
(XII) Total comprehensive income for the year (X + XI)		**2,394.24**	**2,497.10**
(XIII) Earnings per equity share (face value Rs. 10/- per equity share)			
Basic (Rs.)	44	100.97	107.44
Diluted (Rs.)	44	100.97	107.44

See accompanying notes to the financial statements

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner

Membership No. 015139
Gurugram
April 29, 2021

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2021

A. Equity share capital

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2019	**226,882,736**	**226.90**
Changes during the year (refer note 30 Equity)	-	(0.02)
As at March 31, 2020	**226,882,736**	**226.88**
Changes during the year (refer note 30 Equity)	**26,178,777**	26.18
As at March 31, 2021	**253,061,513**	**253.06**

B. Other equity

(Rs. in crores)

Particulars	Reserves and surplus							Other comprehensive income		Total
	Statutory reserve	Capital reserve	Securities premium	Debenture redemption reserve #	Capital redemption reserve	General reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit plan	Effective portion of cash flow hedges	
Balance as at April 01, 2019	**3,168.55**	**27.62**	**1,754.81**	**374.62**	**53.88**	**2,164.35**	**8,070.47**	**(4.92)**	**-**	**15,609.38**
Profit for the year	-	-	-	-	-	-	2,501.84	-	-	**2,501.84**
Other comprehensive income for the year	-	-	-	-	-	-	-	(4.74)	-	**(4.74)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,501.84**	**(4.74)**	**-**	**2,497.10**
Transferred to/(from) (refer note 31 Other equity)	500.38	-	-	235.79	-	250.19	(986.36)	-	-	-
Transferred from share forfeiture account	-	0.02	-	-	-	-	-	-	-	**0.02**
Dividends (interim and final)	-	-	-	-	-	-	(272.26)	-	-	**(272.26)**
Tax on dividend (interim and final)	-	-	-	-	-	-	(55.96)	-	-	**(55.96)**
Balance as at March 31, 2020	**3,668.93**	**27.64**	**1,754.81**	**610.41**	**53.88**	**2,414.54**	**9,257.73**	**(9.66)**	**-**	**17,778.28**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(Rs. in crores)

Particulars	Reserves and surplus							Other comprehensive income		Total
	Statutory reserve	Capital reserve	Securities premium	Debenture redemption reserve #	Capital redemption reserve	General reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit plan	Effective portion of cash flow hedges	
Balance as at April 01, 2020	**3,668.93**	**27.64**	**1,754.81**	**610.41**	**53.88**	**2,414.54**	**9,257.73**	**(9.66)**	**-**	**17,778.28**
Profit for the year	-	-	-	-	-	-	2,487.26	-	-	**2,487.26**
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(93.02)	**(93.02)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,487.26**	**-**	**(93.02)**	**2,394.24**
Securities premium proceeds received on issue of equity shares (refer note 30 Equity and note 31 Other equity)	-	-	1,466.01	-	-	-	-	-	-	**1,466.01**
Rights issue expenses (refer note 30 Equity and note 31 Other equity)	-	-	(19.55)	-	-	-	-	-	-	**(19.55)**
Transferred to/(from) (refer note 31 Other equity)	497.46	-	-	311.00	-	248.73	(1,057.19)	-	-	-
Dividends (interim)	-	-	-	-	-	-	(303.67)	-	-	**(303.67)**
Balance as at March 31, 2021	**4,166.39**	**27.64**	**3,201.27**	**921.41**	**53.88**	**2,663.27**	**10,384.13**	**(9.66)**	**(93.02)**	**21,315.31**

Refer note 31 Other equity

See accompanying notes to the financial statements

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner

Membership No. 015139
Gurugram
April 29, 2021

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman &
Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,278.01	3,438.67
Depreciation, amortisation and impairment	137.36	141.05
Interest on income tax refund	-	(5.80)
Interest income	(16,611.31)	(15,690.72)
Finance costs	9,054.26	8,270.26
Loss/(profit) on sale of property plant and equipments (net)	0.65	(1.17)
Impairment on loans	3,128.29	2,748.87
Impairment on investments	(4.22)	42.22
Impairment on undrawn loan commitment	(5.45)	4.39
Impairment on other assets	(0.22)	(0.60)
Net (gain)/loss on fair value changes on investment	(2.85)	0.87
Net (gain)/loss on sale of mutual funds and certificate of deposits	(20.02)	(18.67)
Net (gain)/loss on fair value changes on direct assignment	1.07	-
Net (gain)/loss on fair value changes on derivatives	-	5.88
Net gain on derecognition of financial instruments under amortised cost category	47.05	-
Cash inflow from interest on loans	18,405.90	14,487.74
Cash outflow towards finance costs	(7,745.19)	(7,608.85)
Operating profit before working capital changes	**9,663.33**	**5,814.14**
Movements in working capital:		
Decrease/(increase) in loans	(10,994.29)	(7,026.05)
Decrease/(increase) in investments	(372.28)	1,176.17
Decrease/(increase) in receivables	(90.83)	12.28
Decrease/(increase) in bank deposits	(1,164.96)	(1,273.60)
Decrease/(increase) in other financial assets	(10.11)	(1.22)
Decrease/(increase) in other non-financial assets	(41.13)	(28.09)
Increase/(decrease) in payables	111.67	10.38
Increase/(decrease) in other financial liabilities	(99.05)	(104.04)
Increase/(decrease) in non-financial liabilities	15.98	13.79
Increase/(decrease) in other provision	1.66	7.69
Cash used in operations	**(2,980.01)**	**(1,398.55)**
Direct taxes paid (net of refunds)	(1,258.75)	(1,065.03)
Net cash flows from/(used in) operating activities (A)	**(4,238.76)**	**(2,463.58)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(25.82)	(57.80)
Proceeds from sale of property, plant and equipment and intangible assets	0.93	2.60
Net cash generated from/(used in) investing activities (B)	**(24.89)**	**(55.20)**

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including share premium and net of share issue expenses)	1,472.64	-
Proceeds/(repayment) on settlement of derivative contracts	589.48	(826.31)
Increase / (decrease) in fixed deposits (net)	4,206.86	1,661.62
Amount received from debt securities	10,636.15	17,215.18
Repayment of debt securities	(5,797.45)	(16,861.23)
Proceeds/(repayment) of subordinated debts	(1,069.27)	487.32
Amount received from borrowings other than debt securities	38,480.04	38,439.54
Repayment of borrowings other than debt securities	(36,032.94)	(35,112.77)
Payment of lease liabilities	(107.33)	(96.38)
Dividend paid	(152.59)	(272.38)
Tax on dividend	-	(55.96)
Net cash generated from/(used in) financing activities (C)	**12,225.59**	**4,578.63**
Net increase in cash and cash equivalents (A+B+C)	7,961.94	2,059.85
Cash and cash equivalents at the beginning of the year	3,088.99	1,029.14
Cash and cash equivalents at the end of the year	**11,050.93**	**3,088.99**

(Rs. in crores)

Components of cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents at the end of the year		
i) Cash on hand	79.61	41.24
ii) Cheques on hand	6.16	2.38
iii) Balances with banks (of the nature of cash and cash equivalents)	5,014.78	1,810.59
iv) Call Money (CBLO)	2,498.85	-
v) Bank deposit with original maturity less than three months	3,451.53	1,234.78
Total	**11,050.93**	**3,088.99**

The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

See accompanying notes to the financial statements

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner

Membership No. 015139
Gurugram
April 29, 2021

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

1 CORPORATE INFORMATION

Shriram Transport Finance Company Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing commercial vehicles. It also provides loans for equipment and other business purposes. The Company is registered with the Reserve Bank of India (RBI), Ministry of Corporate Affairs and Insurance Regulatory and Development Authority of India (IRDA). The registration details are as follows:

RBI	07-00459
Corporate Identity Number (CIN)	L65191TN1979PLC007874
IRDA	CA0197

The Company is an associate of Shriram Capital Limited.

The registered office of the Company is Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai, Tamil Nadu– 600 032. The principal place of business is Wockhardt Towers, West Wing, Level-3, C-2, G-Block, Bandra -Kurla Complex, Bandra (East), Mumbai, Maharashtra- 400 051.

The financial statements of the Company for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on April 29, 2021.

2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (refer note 6.1 (v)).

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

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

3 PRESENTATION OF FINANCIAL STATEMENT

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

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

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

4 STATEMENT OF COMPLIANCE

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

The Company has consistently applied accounting policies to all periods except for note 6.1 (v).

5 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

6 SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

(ii) Financial assets measured at amortised cost

Debt instruments

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

Debt instruments are measured at amortised cost where they have:

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

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

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

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

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

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

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

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

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at fair value through other comprehensive income (FVOCI).

Amounts presented in other comprehensive income are not subsequently transferred to the statement of profit and loss. Dividends on such investments are recognised in the statement of profit and loss.

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date, the Company does not have any financial instruments measured at fair value through profit or loss.

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

Financial instruments held for trading

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

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

Financial instruments designated as measured at fair value through profit or loss

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

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

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

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

(v) **Derivatives**

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

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.
- The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities.

Hedge accounting:

Till March 31, 2020, Derivatives were initially recognised at fair value at the date the derivative contracts are entered into and were subsequently measured at their fair value at the end of each reporting period. Such derivative instruments were presented as assets in case of a fair value gain and as liabilities in case of fair value loss. Changes in the fair value of derivatives were included in net gain on fair value changes.

Effective April 01, 2020, the Company has adopted hedge accounting. The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria. The Company has formally designated and documented the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

During the year ended March 31, 2021, hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge: A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect the statement of profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in other comprehensive income as cash flow hedge reserve. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

(vi) Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

(vii) Debt securities and other borrowed funds

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

(viii) Financial guarantees

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

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

(ix) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2019-20 and until the year ended March 31, 2021.

(x) Recognition and Derecognition of financial assets and liabilities

Recognition

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

b) Investments are initially recognised on the settlement date.

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

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

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets

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

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

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

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

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

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

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. Accordingly, gain or loss on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

b) Financial liabilities

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

(xi) Impairment of financial assets

Overview of the ECL principles

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

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

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

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Business Loans, secured loans for new vehicles, secured loans for used vehicles and Equipment Finance Loans.

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

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

Stage 1

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

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

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

Credit-impaired financial assets

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

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

a) Significant financial difficulty of the borrower or issuer;

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

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

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

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

ECL on Investment in Government securities:

The Company has invested in Government of India loans. Investment in Government securities are classified under stage 1. No ECL has been applied on these investments as there is no history of delay in servicing of interest/repayments. The Company does not expect any delay in interest/redemption servicing in future.

Simplified approach for trade/other receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor.

ECL on Debt instruments measured at fair value through OCI

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

The mechanics of ECL

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

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 53.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 53.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 53.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably. Refer note 63 for impact of COVID and macro-economic factors on PD and LGD estimation.

Collateral Valuation

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

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. The Company generally does not use the assets repossessed for the internal operations. The underlying loans in respect of which collaterals have been repossessed and not sold for more than 12 months are considered as Stage 3 assets and fully provided for net of estimated realizable value or written off. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet as it does not meet the recognition criteria in other standards and consequently the Company also does not derecognise the underlying financial asset immediately on repossession.

(xii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss. Write off in case of standard accounts is done by way of waiver of last one or two instalments in case the borrower pays all the EMIs as per the due dates mentioned in the agreement.

(xiii) Determination of fair value

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

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

Difference between transaction price and fair value at initial recognition.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable

current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

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

6.2 Revenue from operations

(i) Interest Income

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

The EIR in case of a financial asset is computed

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

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

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

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

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

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

Interest spread under par structure of direct assignment of loan receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the statement of profit and loss.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset.

(iv) Fees & Commission Income

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

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

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

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

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

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

(v) Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 34), held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

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

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

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the statement of profit and loss. The resulting interest only strip initially is recognised at FVTPL under interest income.

6.3 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

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

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

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

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

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

(ii) Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

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

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each

Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

The Company fully contributes all ascertained liabilities to The Trustees - Shriram Transport Finance Company Limited Employees Group Gratuity Assurance Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

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

Other long-term employee benefits

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

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

(iii) Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 (transition date). The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Company's lease asset classes consist of leases for office premises.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases, the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

In case of a sub-lease, the Company accounts for its head lease and sub-lease separately.

(iv) Other income and expenses

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

(v) Impairment of non-financial assets

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

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

(vi) Taxes

Current Tax

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

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

Deferred tax

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

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

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

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

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

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

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

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

6.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition

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

Conversion

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

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

6.5 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents) and short- term deposits, as defined above.

6.6 Property, plant and equipment

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

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, if it is probable that future economic benefit will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

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

The estimated useful lives are as follows:

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

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

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss from / upto the date of acquisition/sale.

6.7 Intangible assets

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

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

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

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

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

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

6.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the statement of profit and loss in the same period.

6.9 Provisions

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

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

6.10 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

6.11 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

7 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

7.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(xi) Overview of ECL principles.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

7.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
8	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	79.61	41.24
	Balances with banks (of the nature of cash and cash equivalents)	5,014.78	1,810.59
	Cheques on hand	6.16	2.38
	Call money (CBLO)	2,498.85	-
	Bank deposit with original maturity less than three months	3,451.53	1,234.78
	Total	**11,050.93**	**3,088.99**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The Company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
9	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**		
	Balances with banks		
	Earmarked balances for interim dividend	151.84	-
	Unclaimed dividend accounts	9.81	10.57
	Bank deposit with original maturity for more than three months	351.50	364.16
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments. *	4,877.74	3,851.20
	Total	**5,390.89**	**4,225.93**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits Rs. 4,642.90 crores (March 31, 2020: Rs. 3,701.14 crores) pledged with Banks as margin for credit enhancement, Rs. 34.36 crores (March 31, 2020: Rs. 146.83 crores) as margin for guarantees and Rs. 200.48 crores (March 31, 2020: Rs. 3.23 crores) pledged as lien against loans taken.

10 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. Since April 01, 2020, the Company has adopted hedge accounting.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(Rs. in crores)

Particulars		As at March 31, 2021				As at March 31, 2020			
		Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I									
(i)	**Currency derivatives:**								
	- Spots and forwards	13,826.90	79.37	-	-	8,018.44	378.05	-	-
	- Currency swaps	2,320.38	(103.23)	-	-	1,769.50	11.50	-	-
	- Cross currency interest rate swaps	6,236.92	181.54	-	-	6,389.23	319.50	-	-
	Sub total (i)	**22,384.20**	**157.68**	**-**	**-**	**16,177.17**	**709.05**	**-**	**-**
(ii)	**Interest rate derivatives:**								
	- Interest rate swaps	14,047.48	9.72	-	-	8,744.63	45.77	-	-
	- Interest rate caps	-	1.85	-	-	-	3.91	-	-
	Sub total (ii)	**14,047.48**	**11.57**	**-**	**-**	**8,744.63**	**49.68**	**-**	**-**
(iii)	**Credit derivatives:**	-	-	-	-	-	-	-	-
(iv)	**Equity linked derivatives:**	-	-	-	-	-	-	-	-
(v)	**Other derivatives:**	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)+(v)		**36,431.68**	**169.25**	**-**	**-**	**24,921.80**	**758.73**	**-**	**-**
Part II									
	Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i)	Fair value hedging:	-	-	-	-	-	-	-	-
(ii)	Cash flow hedging:	-	-	-	-	-	-	-	-
	- Currency derivatives	22,384.20	157.68	-	-	-	-	-	-
	- Interest rate derivatives	14,047.48	11.57	-	-	-	-	-	-
(iii)	Net investment hedging:	-	-	-	-	-	-	-	-
(iv)	Undesignated derivatives	-	-	-	-	24,921.80	758.73	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)		**36,431.68**	**169.25**	**-**	**-**	**24,921.80**	**758.73**	**-**	**-**

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 53.

Derivatives designated as hedging instruments

The Company had not designated any derivatives as hedging instruments till March 31, 2020. Since April 01, 2020, the Company designates its derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates. At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the hedging instruments are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Derivatives not designated as hedging instruments

Till March 31, 2020, the Company used cross currency interest rate swaps, interest rate swaps, principal only swaps, forward contracts, interest rate caps to manage its interest rate risk and foreign currency risk arising from USD and EURO denominated External commercial borrowings and bonds. The derivative instruments were entered into for periods consistent with exposure of the underlying transactions. From April 01, 2020, there no undesignated derivatives.

Notes:

1) The interest rate risk and exchange rate risk on the borrowings of the Company are managed using various derivative instruments which are entered from time to time. The risk management strategy and the use of derivatives are explained in Note 53 - Risk Management and Note 80 - Derivatives.

2) The Company has designated the interest rate derivatives which were entered to mitigate interest rate risks on its external commercial bond and external commercial borrowings, as hedging instruments.
The impact of the hedging instrument on the Balance sheet as at March 31, 2021 is as follows:

(Rs. in crores)

Hedged Instrument	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the year
Currency derivatives/ Interest rate derivatives	36,431.68	169.25	Derivative Financial Instruments	124.31

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

The impact of hedged items on the Balance sheet as at March 31, 2021 is as follows:

(Rs. in crores)

Hedged Item	Change in value used for measuring ineffectiveness	Cash flow hedge reserve as on March 31, 2021
External commercial bond and external commercial borrowings	(124.31)	(93.02)

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income during the year ended March 31, 2021 is as follows:

(Rs. in crores)

Hedged Item	Total hedging gain / (loss) recognised in OCI	Ineffectiveness recognised in the statement of profit and loss	Line item in the statement of profit and loss that include the hedge ineffectiveness	Amount reclassified from cash flow hedge reserve to the statement of profit and loss	Line item in the statement of profit and loss that includes the reclassification adjustment
External commercial bond and external commercial borrowings	(124.31)	-	NA	-	NA

11 RECEIVABLES

(I) Trade receivables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	8.92	10.50
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Gross	**8.92**	**10.50**
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net	**8.92**	**10.50**

(II) Other receivables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured	49.90	5.64
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	1.88	2.10
Gross	**51.78**	**7.74**
Less: Allowances for impairment loss on credit impaired other receivables	1.88	2.10
Net	**49.90**	**5.64**

There is no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of **30** days.

11 RECEIVABLES (Contd.)

(Rs. in crores)

Trade receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2021	Estimated total gross carrying amount at default	-	8.84	0.08	-	-	-	**8.92**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	**-**	**8.84**	**0.08**	**-**	**-**	**-**	**8.92**
March 31, 2020	Estimated total gross carrying amount at default	-	10.22	0.28	-	-	-	**10.50**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	**-**	**10.22**	**0.28**	**-**	**-**	**-**	**10.50**

The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.

(Rs. in crores)

Other receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2021	Estimated total gross carrying amount at default	46.82	2.58	0.43	0.19	0.19	1.57	**51.78**
	ECL-simplified approach	-	0.04	0.04	0.04	0.19	1.57	**1.88**
	Net carrying amount	**46.82**	**2.54**	**0.39**	**0.15**	**-**	**-**	**49.90**
March 31, 2020	Estimated total gross carrying amount at default	-	2.46	1.73	1.71	0.31	1.53	**7.74**
	ECL-simplified approach	-	0.18	0.04	0.04	0.31	1.53	**2.10**
	Net carrying amount	**-**	**2.28**	**1.69**	**1.67**	**-**	**-**	**5.64**

Reconciliation of impairment loss allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2019	**1.58**
Add: Addition during the year	0.53
(Less): Reduction during the year	(0.01)
Impairment allowance as per March 31, 2020	**2.10**
Add: Addition during the year	0.21
(Less): Reduction during the year	(0.43)
Impairment allowance as per March 31, 2021	**1.88**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
12	**LOANS**		
	(A)		
	Loans (at amortised cost)		
	i) Term loans	113,424.31	105,073.08
	ii) Others -Unsecured loans	2,767.28	3,428.63
	Total (A) - Gross	**116,191.59**	**108,501.71**
	Less : Impairment loss allowance (refer note 63)	7,888.55	6,270.08
	Total (A) - Net	**108,303.04**	**102,231.63**
	(B)		
	i) Secured by tangible assets	113,415.53	105,061.35
	ii) Secured by deposits	8.78	11.73
	iii) Unsecured	2,767.28	3,428.63
	Total (B) - Gross	**116,191.59**	**108,501.71**
	Less : Impairment loss allowance (refer note 63)	7,888.55	6,270.08
	Total (B) - Net	**108,303.04**	**102,231.63**
	(C) Loans in India		
	i) Public sector	-	-
	ii) Others		
	Retail	115,654.09	107,959.44
	Corporates	537.50	542.27
	Total (C) - Gross	**116,191.59**	**108,501.71**
	Less : Impairment loss allowance (refer note 63)	7,888.55	6,270.08
	Total (C)- Net	**108,303.04**	**102,231.63**

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 53.02.02.06.

(Rs. in crores)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total	Stage 1 collective	Stage 2 collective	Stage 3 collective	TOTAL
Internal rating grade								
Performing								
High grade	66,806.72	-	-	**66,806.72**	71,178.65	-	-	**71,178.65**
Standard grade	27,108.94	-	-	**27,108.94**	15,886.32	-	-	**15,886.32**
Sub-standard grade	-	6,570.01	-	**6,570.01**	-	10,002.10	-	**10,002.10**
Past due but not impaired	-	7,413.11	-	**7,413.11**	-	2,257.56	-	**2,257.56**
Non- performing	-	-	**8,292.81**	**8,292.81**	-	-	**9,177.08**	**9,177.08**
Total	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**

12 LOANS (Contd.)

An analysis of changes in the gross carrying amount as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**
New assets originated or purchased	32,100.42	4,062.47	1,318.50	**37,481.39**	43,005.82	7,356.58	1,113.47	**51,475.87**
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(22,592.41)	(3,531.65)	(2,157.84)	**(28,281.90)**	(33,463.85)	(6,306.23)	(3,476.22)	**(43,246.30)**
Transfers to stage 1	9,958.65	(7,726.70)	(2,231.95)	-	15,378.35	(13,654.99)	(1,723.36)	-
Transfers to stage 2	(9,766.35)	10,722.93	(956.58)	-	(7,712.88)	8,683.45	(970.57)	-
Transfers to stage 3	(2,449.08)	(1,693.12)	4,142.20	-	(3,672.48)	(3,157.30)	6,829.78	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(400.54)	(110.47)	(998.60)	**(1,509.61)**	(569.88)	(253.18)	(1,212.29)	**(2,035.35)**
Gross carrying amount closing balance	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	General approach				General approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	2,156.05	928.08	3,185.95	**6,270.08**	1,472.80	1,113.46	2,969.74	**5,556.00**
New assets originated or purchased	1,010.13	402.20	556.65	**1,968.98**	887.83	489.55	382.72	**1,760.10**
Transfers to stage 1	1,381.13	(602.54)	(778.59)	-	1,408.32	(829.08)	(579.24)	-
Transfers to stage 2	(260.75)	598.96	(338.21)	-	(159.73)	477.65	(317.92)	-
Transfers to stage 3	(65.42)	(145.29)	210.71	-	(78.94)	(200.93)	297.87	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(774.25)	285.13	1,648.22	**1,159.10**	(804.35)	130.61	1,663.07	**989.33**
Amounts written off	(400.54)	(110.47)	(998.60)	**(1,509.61)**	(569.88)	(253.18)	(1,212.29)	**(2,035.35)**
ECL allowance - closing balance	**3,046.35**	**1,356.07**	**3,486.13**	**7,888.55**	**2,156.05**	**928.08**	**3,185.95**	**6,270.08**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs. 1,080.81 crores (During previous year Rs. 1,447.19 crores).

13 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total	Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total
i) Mutual funds *	-	-	-	-	-	3.02	-	**3.02**
ii) Government securities (refer note 65)	2,058.34	-	-	**2,058.34**	1,824.46	-	-	**1,824.46**
iii) Debt securities	-	-	-	-	52.67	-	-	**52.67**
iv) Equity instruments	-	6.74	-	**6.74**	-	3.36	-	**3.36**
v) Associates (at cost)	-	-	13.37	**13.37**	-	-	13.37	**13.37**
vi) Pass through certificates (unquoted)	1,155.87	-	-	**1,155.87**	942.79	-	-	**942.79**
vii) Others (venture capital fund)	-	1.54	-	**1.54**	-	1.04	-	**1.04**
Total Gross (A)	**3,214.21**	**8.28**	**13.37**	**3,235.86**	**2,819.92**	**7.42**	**13.37**	**2,840.71**
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	3,214.21	8.28	13.37	**3,235.86**	2,819.92	7.42	13.37	**2,840.71**
Total Gross (B)	**3,214.21**	**8.28**	**13.37**	**3,235.86**	**2,819.92**	**7.42**	**13.37**	**2,840.71**
Less : Allowance for impairment loss (C)	(38.01)	-	-	**(38.01)**	(42.23)	-	-	**(42.23)**
Total - Net D = (A) - (C)	**3,176.20**	**8.28**	**13.37**	**3,197.85**	**2,777.69**	**7.42**	**13.37**	**2,798.48**

More information regarding the valuation methodologies can be found in Note 52.09.

There is no investments measured at FVOCI or designated at FVTPL.

* The Company received dividend of Rs. Nil (March 31, 2020: Rs. 0.19 crores) from its investments measured at fair value through profit or loss, recorded as dividend income.

Investments carried at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system for investments carried at amortised cost are explained in note 53.02.

(Rs. in crores)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	3,214.21	-	-	**3,214.21**	2,767.25	-	-	**2,767.25**
Standard grade	-	-	-	-	-	-	-	-
Non-performing	-	-	-	-	-	-	-	-
Individually Impaired	-	-	-	-	-	52.67	-	**52.67**
Total	**3,214.21**	-	-	**3,214.21**	**2,767.25**	**52.67**	-	**2,819.92**

13 INVESTMENTS (Contd.)

An analysis of changes in gross carrying amount and the corresponding ECLs on investments carried at amortised cost which are subject to ECL is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	2,767.25	52.67	-	**2,819.92**	2,425.63	-	-	**2,425.63**
New assets originated or purchased	1,093.04	2.08	-	**1,095.12**	1,190.59	-	-	**1,190.59**
Assets derecognised or matured (excluding write-offs)	(646.08)	(54.75)	-	**(700.83)**	(796.51)	-	-	**(796.51)**
Change in fair value	-	-	-	-	0.21	-	-	**0.21**
Transfers to stage 2	-	-	-	-	(52.67)	52.67	-	-
Closing balance	**3,214.21**	-	-	**3,214.21**	**2,767.25**	**52.67**	-	**2,819.92**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**23.79**	**18.44**	-	**42.23**	**0.01**	-	-	**0.01**
New assets originated or purchased	-	-	-	-	-	-	-	-
Transfers to stage 2			-	-	(0.01)	0.01	-	-
Unwinding of discount (recognised in interest income)	-	-	-	-	-	0.93	-	**0.93**
Changes to models and inputs used for ECL calculations	14.22	-	-	**14.22**	23.79	17.50	-	**41.29**
Recoveries	-	(18.44)	-	**(18.44)**	-	-	-	-
Closing balance in ECL	**38.01**	-	-	**38.01**	**23.79**	**18.44**	-	**42.23**

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
14 OTHER FINANCIAL ASSETS		
Security deposits *	46.96	38.70
Other financial assets	2.07	-
Total	**49.03**	**38.70**

* Net of allowance for impairment loss recognised on security deposit Rs. 0.51 crores (March 31, 2020: Rs. 0.60 crores).

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
15 CURRENT TAX ASSETS (NET)		
Advance income tax [net of provision for income tax Rs. 5,168.83 crores (March 31, 2020: Rs. 2,910.66 crores)]	171.73	249.10
Total	**171.73**	249.10

(Rs. in crores)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Freehold Land	Buildings	Total	Freehold Land	Buildings	Total
16 INVESTMENT PROPERTY						
Gross block at cost						
Opening balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Accumulated depreciation						
Opening balance	-	**0.12**	**0.12**	-	**0.09**	**0.09**
Depreciation charge for the year	-	0.03	**0.03**	-	0.03	**0.03**
Disposals	-	-	-	-	-	-
Closing balance	-	**0.15**	**0.15**	-	**0.12**	**0.12**
Net carrying amount	**0.70**	**1.30**	**2.00**	**0.70**	**1.33**	**2.03**

(i) Amounts recognised in Statement of Profit and Loss for Investment property

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rental income from investment property	0.21	0.22
Direct operating expenses arising from investment property that generated rental income during the year	0.02	0.06
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-
Profit from investment property before depreciation	**0.19**	**0.16**
Depreciation charge for the year	0.03	0.03
Profit from investment property after depreciation	**0.16**	**0.13**

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The fair value of the investment property as at March 31, 2021 is Rs. 6.12 crores (March 31, 2020: Rs. 6.43 crores).

(iv) Pledged details

Investment property is not pledged.

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) Leasing arrangements

Investment properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

17 PROPERTY, PLANT AND EQUIPMENT

(Rs. in crores)

Particulars	Freehold Land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total
Gross block at cost									
As at April 01, 2019	**0.65**	**2.39**	**9.78**	**44.87**	**24.62**	**25.80**	**0.27**	**88.38**	**196.76**
Additions	-	-	1.53	17.66	9.12	5.38	-	22.74	**56.43**
Disposals	0.06	-	0.29	8.24	2.15	0.78	0.02	6.13	**17.67**
Adjustment*	-	-	0.07	-	-	0.29	-	(0.36)	-
As at March 31, 2020	**0.59**	**2.39**	**11.09**	**54.29**	**31.59**	**30.69**	**0.25**	**104.63**	**235.52**
Additions	-	-	0.70	10.03	2.61	1.58	-	9.49	**24.41**
Disposals	-	-	0.43	7.48	1.96	0.94	-	4.93	**15.74**
As at March 31, 2021	**0.59**	**2.39**	**11.36**	**56.84**	**32.24**	**31.33**	**0.25**	**109.19**	**244.19**
Accumulated depreciation and impairment losses									
As at April 01, 2019	**-**	**(0.08)**	**1.56**	**10.80**	**8.17**	**3.80**	**(0.15)**	**29.20**	**53.30**
Charge for the year	-	0.05	1.47	15.56	5.49	3.28	0.07	22.66	**48.58**
Disposals	-	-	0.23	7.44	1.98	0.66	0.01	5.92	**16.24**
Adjustment*	-	-	0.02	-	-	0.10	-	(0.12)	-
As at March 31, 2020	**-**	**(0.03)**	**2.82**	**18.92**	**11.68**	**6.52**	**(0.09)**	**45.82**	**85.64**
Charge for the year	-	0.05	1.54	15.50	5.67	3.48	0.08	21.94	**48.26**
Disposals	-	-	0.37	6.49	1.80	0.82	-	4.68	**14.16**
As at March 31, 2021	**-**	**0.02**	**3.99**	**27.93**	**15.55**	**9.18**	**(0.01)**	**63.08**	**119.74**
Net carrying amount as at March 31, 2020	**0.59**	**2.42**	**8.27**	**35.37**	**19.91**	**24.17**	**0.34**	**58.81**	**149.88**
Net carrying amount as at March 31, 2021	**0.59**	**2.37**	**7.37**	**28.91**	**16.69**	**22.15**	**0.26**	**46.11**	**124.45**

* Adjustment is on account of regrouping of property, plant and equipment and other intangible assets.

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2021 is Rs. 0.35 crores (March 31, 2020: Rs. 0.36 crores).

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18 LEASES

A] This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in the balance sheet

The Balance sheet shows the following amounts relating to leases

Right-of-use assets

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Office premises		
Opening balance	**334.29**	-
Right-of-use assets on transition	-	**371.83**
Additions	62.80	71.36
Depreciation charge for the year	(87.73)	(91.17)
Deletions	(0.85)	(17.73)
Net carrying amount	**308.51**	**334.29**

Lease liabilities

Maturity analysis of lease liabilities

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 1 year	74.29	80.97
1 to 2 years	68.40	74.50
2 to 3 years	57.31	61.40
3 to 4 years	46.24	47.99
4 to 5 years	28.32	35.80
More than 5 years	74.93	62.15
Total	**349.49**	**362.81**

The Company has taken various office premises under lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
(ii)	**Amounts recognised in the Statement of Profit and Loss**		
	Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	87.73	91.17
	Interest expense (included in finance costs)	32.06	33.73
	Expense relating to short-term leases (included in other expenses)	9.24	9.88
	Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	2.13	2.78
	Expense relating to variable lease payments not included in lease liabilities (included in other expenses).	-	-
	The Company had remeasured lease liability in respect of certain leases during the year and income on such remeasurement of leases as per Ind AS 116 is included in other income	2.66	-
	Income from subleasing right-of-use assets (included in other income)	7.94	8.61
(iii)	**Gains or losses arising from sale and leaseback transactions**	-	-
(iv)	**The total cash outflow for leases during the year**	96.16	110.46

18 LEASES (Contd.)

The weighted average incremental borrowing rate of 9.09% has been applied to lease liabilities recognised in the balance sheet as at April 01, 2019 .

The difference between the operating lease commitments disclosed applying Ind AS 17 as of March 31, 2019 and the value of the lease liability arrived using the incremental borrowing rate as of April 01, 2019 is primarily on account of exclusion of short term leases in measuring the lease liability in accordance with Ind AS 116.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

B] This note provides information for leases where the Company is a lessor.

The Company had given office premises under lease. The income from lease recognised in the Statement of Profit and Loss are Rs. 0.21 crore (March 31, 2020: Rs. 0.22 crore). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

Future minimum lease receivables under non-cancellable leases as at March 31, 2021 are as follows:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Within one year	0.17	0.16
After one year but not more than five years	0.25	0.42
More than five years	-	-
Total	**0.42**	**0.58**

(Rs. in crores)

Particulars	Computer software
19 OTHER INTANGIBLE ASSETS #	
Gross block at cost	
As at April 01, 2019	**2.06**
Additions	1.96
Disposals	-
As at March 31, 2020	**4.02**
Additions	1.06
Disposals	-
As at March 31, 2021	**5.08**
Accumulated amortisation and impairment losses	
As at April 01, 2019	**0.09**
Charge for the year	1.26
Disposals	-
As at March 31, 2020	**1.35**
Charge for the year	1.34
Disposals	0.00
As at March 31, 2021	**2.69**
Net carrying amount as at March 31, 2020	**2.67**
Net carrying amount as at March 31, 2021	**2.39**

Other than internally generated

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
20 OTHER NON-FINANCIAL ASSETS		
Goods and services tax credit (input) receivable	100.96	66.86
Prepaid expenses	7.80	8.21
Capital advances	1.00	0.86
Duties paid under protest	96.40	86.40
Other non-financial assets	4.68	7.24
Total	**210.84**	**169.57**

21 PAYABLES

Trade payables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	-	0.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises *	255.51	143.44
Total	**255.51**	**143.84**

*Includes payable to associate Rs. 1.23 crores (March 31, 2020: Rs. 0.41 crores).

Other payables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	0.37	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.54	1.13
Total	**0.91**	**1.13**

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
22 DEBT SECURITIES		
At amortised cost		
Secured		
Redeemable non-convertible debentures		
- Public issue ¥	5,776.24	5,796.78
- Privately placed ¥¥	15,153.29	14,204.14
External commercial bond	17,779.55	12,607.01
Senior secured notes	888.35	1,204.92
Unsecured		
Redeemable non-convertible debentures		
- Privately placed	464.44	454.11
Total	**40,061.87**	**34,266.96**
Debt securities in India	21,393.97	20,455.03
Debt securities outside India	18,667.90	13,811.93
Total	**40,061.87**	**34,266.96**

¥ includes Rs. 69.20 crores (March 31, 2020 Rs. 40.50 crores) issued to related parties including Directors.

¥¥ includes Rs. 10.01 crores (March 31, 2020 Rs. Nil crores) issued to related parties.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
23	**BORROWINGS (OTHER THAN DEBT SECURITIES)**		
	At amortised cost		
	Secured		
	Term loan from banks - INR	13,304.70	13,259.27
	Term loan from financial institutions/corporates - INR	3,783.20	1,446.29
	External commercial borrowing - FCNR	4,122.49	4,300.61
	Loans repayable on demand from banks (Cash credit from banks)	667.38	2,016.39
	Other loans - INR -Securitisation liabilities	23,403.60	21,452.04
	Total	**45,281.37**	**42,474.60**
	Borrowings in India	41,158.88	38,173.99
	Borrowings outside India	4,122.49	4,300.61
	Total	**45,281.37**	**42,474.60**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
24	**DEPOSITS**		
	At amortised cost		
	Unsecured		
	Deposits		
	i. Public deposits (refer note 65) *	15,790.71	11,768.48
	ii. Deposits from corporates **	392.11	152.22
	iii. Inter-corporate deposits ***	49.59	39.42
	Total	**16,232.41**	**11,960.12**

* includes Rs. 1.89 crores (March 31, 2020 Rs. 1.58 crores) accepted from related parties including Director.

** includes Rs. 34.34 crores (March 31, 2020 Rs. 1.55 crores) accepted from related parties.

*** includes Rs. 49.59 crores (March 31, 2020 Rs. 39.42 crores) accepted from associate.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
25	**SUBORDINATED LIABILITIES**		
	At amortised cost		
	Unsecured		
	Subordinated debts - Debentures #	4,620.76	5,138.00
	Subordinated debts - Bonds ##	-	532.07
	Total	**4,620.76**	**5,670.07**
	Subordinated debts in India	4,620.76	5,670.07
	Subordinated debts outside India	-	-
	Total	**4,620.76**	**5,670.07**

includes Rs. 495.36 crores (March 31, 2020 Rs. 422.19 crores) issued to related parties.

includes Rs. Nil (March 31, 2020 Rs. 3.17 crores) issued to related parties.

The Company has not defaulted in the repayment of dues to its lenders.

I DEBT SECURITIES

A) Redeemable non-convertible debenture (NCD) -secured

i) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2013)-2

Terms of repayment as on March 31, 2021

Outstanding as on March 31, 2021: Nil

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	-	104.94	-	**104.94**
Total	**-**	**104.94**	**-**	**104.94**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 500.00 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

As per the terms of the issue NCD 2013 (2) Rs. 91.30 crores were redeemed on October 23, 2020.

As per the terms of the issue NCD 2013 (2) Rs. 114.68 crores were redeemed on October 23, 2018.

As per the terms of the issue Rs. 294.01 crores were redeemed on October 24, 2016.

ii) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2014)

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
upto 12 months	-	240.22	-	**240.22**
Total	**-**	**240.22**	**-**	**240.22**

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	35.05	198.45	-	**233.50**
Total	**35.05**	**198.45**	**-**	**233.50**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 1,974.85 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

As per the terms of the issue Rs. 427.15 crores were redeemed on July 15, 2019.

As per the terms of the issue Rs. 1,348.33 crores were redeemed on July 15, 2017.

I DEBT SECURITIES (Contd.)

iii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 1)

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	497.03	-	-	**497.03**
24-36 months	837.55	-	-	**837.55**
upto 12 months	2,447.63	-	-	**2,447.63**
Total	**3,782.21**	**-**	**-**	**3,782.21**

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	496.11	-	-	**496.11**
36-48 months	825.13	-	-	**825.13**
12-24 months	2,427.46	-	-	**2,427.46**
Total	**3,748.70**	**-**	**-**	**3,748.70**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 3,648.52 crores raised from public issue (net off expenses) towards repayment of borrowings as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 107.40 crores were redeemed on December 26, 2019.

iv) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 2)

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.67	-	-	**71.67**
24-36 months	263.13	-	-	**263.13**
upto 12 months	-	310.11	-	**310.11**
Total	**334.80**	**310.11**	**-**	**644.91**

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.51	-	-	**71.51**
36-48 months	262.12	-	-	**262.12**
12-24 months	-	295.02	-	**295.02**
Total	**333.63**	**295.02**	**-**	**628.65**

I DEBT SECURITIES (Contd.)

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 606.79 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

v) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 3)

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.99	-	-	**59.99**
24-36 months	237.50	-	-	**237.50**
upto 12 months	-	262.55	-	**262.55**
Total	**297.49**	**262.55**	**-**	**560.04**

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.87	-	-	**59.87**
36-48 months	232.06	-	-	**232.06**
12-24 months	-	253.76	-	**253.76**
Total	**291.93**	**253.76**	**-**	**545.69**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 537.32 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

vi) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 1)

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	20.57	43.38	-	**63.95**
36-48 months	33.67	69.12	-	**102.79**
12-24 months	41.56	90.45	-	**132.01**
upto 12 months	-	55.59	-	**55.59**
Total	**95.80**	**258.54**	**-**	**354.34**

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	20.48	41.75	-	**62.23**
48-60 months	33.47	66.95	-	**100.42**
24-36 months	41.21	86.90	-	**128.11**
12-24 months	-	54.98	-	**54.98**
Total	**95.16**	**250.58**	**-**	**345.74**

I DEBT SECURITIES (Contd.)

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 339.94 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

vii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 2)

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	26.31	-	-	**26.31**
36-48 months	66.64	-	-	**66.64**
12-24 months	78.97	22.60	-	**101.57**
Total	**171.92**	**22.60**	**-**	**194.52**

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	26.19	-	-	**26.19**
48-60 months	64.80	-	-	**64.80**
24-36 months	78.09	20.48	-	**98.57**
Total	**169.08**	**20.48**	**-**	**189.56**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 193.67 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

viii) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10% ^	>= 10% < 12% ^	>= 12% < 14%	>=14% <16%	
over 60 months	3,613.48	-	-	-	**3,613.48**
48-60 months	302.37	-	-	-	**302.37**
36-48 months	154.79	1,299.99	-	-	**1,454.78**
24-36 months ^	863.19	172.21	-	-	**1,035.40**
12-24 months^	1,970.82	1,086.19	151.27	45.73	**3,254.01**
upto 12 months ^	4,627.44	865.81	-	-	**5,493.25**
Total	**11,532.09**	**3,424.20**	**151.27**	**45.73**	**15,153.29**

^NCD amounting to Rs. 2,692.60 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

I DEBT SECURITIES (Contd.)

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10%* ¥^	>= 10% < 12% *^	>= 12% < 14%	>=14% <16%	
over 60 months	524.89	-	-	-	**524.89**
48-60 months	154.80	1,299.08	-	-	**1,453.88**
36-48 months	210.38	172.02	-	-	**382.40**
24-36 months	1,780.18	202.41	148.38	-	**2,130.97**
12-24 months ^	4,481.32	804.89	-	-	**5,286.21**
upto 12 months *¥^	4,045.92	379.87	-	-	**4,425.79**
Total	**11,197.49**	**2,858.27**	**148.38**	**-**	**14,204.14**

* Includes 1 NCD of Rs. 666.00 crores partly paid to the extent of Rs. 666,000/- (50% redeemed)

* Includes 1 NCD of Rs. 25.00 crores partly paid to the extent of Rs. 111,111.11

^NCD amounting to Rs. 1,867.30 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under (Rs. in crores)

Sr No	Rate of interest	Amount	Put/Call option date
1	8.87%	110.00	August 7, 2020
Total		**110.00**	

Nature of security

Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

(Rs. in crores)

Total non-convertible debentures- secured	As at March 31, 2021	As at March 31, 2020
Public issue (i+ii+iii+iv+v+vi+vii)	5,776.24	5,796.78
Privately placed (viii)	15,153.29	14,204.14
Total non-convertible debentures- secured	**20,929.53**	**20,000.92**

B) External commercial bond (ED) Secured

Privately Placed Redeemable External commercial bond of Rs. 100,000/- each

Terms of repayment as on March 31, 2021 (Rs. in crores)

Detail	< 10%	>= 10% < 12%	Total
24-36 months	9,182.92	-	**9,182.92**
12-24 months	5,638.17	-	**5,638.17**
upto 12 months	-	2,958.46	**2,958.46**
Total	**14,821.09**	**2,958.46**	**17,779.55**

Terms of repayment as on March 31, 2020 (Rs. in crores)

Detail	< 10%	>= 10% < 12%	Total
36-48 months	3,808.17	-	**3,808.17**
24-36 months	5,772.26	-	**5,772.26**
12-24 months	-	3,026.58	**3,026.58**
Total	**9,580.43**	**3,026.58**	**12,607.01**

I DEBT SECURITIES (Contd.)

On March 31, 2021, the Company issued and allotted USD 225,000,000 4.40% senior secured notes due 2024 in offshore market (Social Bonds) for sum of Rs.1,630.35 crores to be consolidated and form a single series with the U.S.$500,000,000 4.40 per cent Senior Secured Notes due 2024 issued on January 13, 2021 under USD 3 Billion Global Medium Term Note Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX- ST) on April 01, 2021. The proceeds of the issue of the Social Bonds are being utilised as per the Company's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations.

On January 13, 2021, the Company issued and allotted USD 500,000,000 4.40% Senior Secured Notes due 2024 in offshore market (Social Bonds) for sum of USD 499,950,000 equivalent to Rs. 3,672.50 crores under USD 3 Billion GMTN Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX-ST) on January 14, 2021. The proceeds of the issue of the Social Bonds are being utilised as per the Company's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction – External Commercial Borrowings, Trade Credits, and Structured Obligations.

During the year ended March 31, 2020, the Company issued and allotted USD 250,000,000 5.3750% senior secured notes due 2022 in offshore market (notes) equivalent to Rs. 1,714.38 crores under USD 2,000,000,000 Global Medium Term Note Programme. The said notes are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the notes have been utilised for the purpose of onward lending and other activities as may be permitted by the ECB Directions.

During the year ended March 31, 2020, the Company issued and allotted USD 500,000,000 5.100% senior secured notes due 2023 in offshore market (Social Bonds) equivalent to Rs. 3,541.75 crores under USD 3,000,000,000 Global Medium Term Note Programme. The said Social Bonds are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the Social Bonds have been utilised for the purpose of onward lending and other activities as per the Company's Social Finance Framework and as may be permitted by the ECB Directions.

During the year ended March 31, 2019, the Company issued and allotted senior secured notes in offshore market (notes) aggregating to INR 2,849.90 crores consisting of 5.70% notes due 2022 under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue have been utilised for the purpose of onward disbursements.

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

C) Senior secured notes

Senior secured notes of Rs. 10,000,000/- each

Terms of repayment

(Rs. in crores)

Detail	Rate of interest	As at March 31, 2021	As at March 31, 2020
36-48 months	<10%	-	885.54
24-36 months	<10%	888.35	-
12-24 months	<10%	-	-
upto 12 months	<10%	-	319.38
Total		**888.35**	**1,204.92**

During the year ended March 31, 2018, the Company had issued senior secured notes in offshore market (notes) aggregating to INR 1,160 crores consisting of INR 840 crores 8.10% notes due 2023 and INR 320 crores 7.90% notes due 2021 payable in US dollars under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST).

The Company had utilised the entire sum of Rs. 1,160.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

During the year ended March 31, 2017, the Company had issued Rs. 1,350.00 crores 8.25 % senior secured notes at the price of 100.18% that are due for repayment on February 18, 2020. The said notes (with ISIN - XS 1549374475) are listed and traded on the Singapore Exchange (SGX-ST) with a minimum board lot size of S $200,000.

I DEBT SECURITIES (Contd.)

The Company had utilised the entire sum of Rs. 1,350.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

As per the terms of the issue, Rs. 1,350.00 crores were redeemed on February 18, 2020.

As per the terms of the issue, Rs. 320.00 crores were redeemed on March 12, 2021.

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

D) Redeemable non-convertible debenture (NCD) -unsecured

i) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
36-48 months	-	-	464.44	**464.44**
Total	**-**	**-**	**464.44**	**464.44**

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
48-60 months	-	-	454.11	**454.11**
Total	**-**	**-**	**454.11**	**454.11**

II BORROWINGS (other than debt securities)

A) Term loans from banks -secured (INR)

As at March 31, 2021

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	7.73% to 8.71%	20 to 60 instalments of monthly and quarterly frequency	1,345.25
36-48 months	8.15% to 10.98%	20 to 48 instalments of monthly, quarterly and specific frequency	2,809.75
24-36 months	7.00% to 10.10%	1 to 36 instalments of bullet and quarterly frequency	2,150.23
12-24 months	7.30% to 10.07%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	1,536.39
upto 12 months	6.65% to 10.01%	1 to 20 instalments of bullet, quarterly and specific frequency	5,463.08
Total			**13,304.70**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (other than debt securities) (Contd.)

As at March 31, 2020

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.50% to 9.50%	20 instalments of quarterly frequency	2,265.25
36-48 months	8.91% to 9.68%	20 instalments of quarterly frequency	583.49
24-36 months	8.11% to 9.63%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	2,469.48
12-24 months	7.00% to 9.90%	1 to 20 instalments of bullet, quarterly and specific frequency	3,112.87
upto 12 months	7.47% to 12.25%	1 to 36 instalments of bullet, monthly, quarterly, half-yearly and specific frequency	4,828.18
Total			**13,259.27**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

B) Term loans from financial institutions/corporates -secured (INR)

As at March 31, 2021

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.95%	20 instalments of quarterly frequency	389.57
48-60 months	8.23% to 9.00%	20 instalments of quarterly frequency	2,385.43
36-48 months	10.20%	11 instalments of specific frequency	130.11
24-36 months	9.70% to 10.50%	11 to 12 instalments of quarterly and specific frequency	404.35
12-24 months	7.02% to 9.01%	11 to 20 instalments of quarterly and specific frequency	343.41
upto 12 months	6.21% to 6.31%	1 to 9 instalments of bullet and monthly frequency	130.33
Total			**3,783.20**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2020

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	10.20%	11 instalments of specific frequency	227.76
36-48 months	10.50%	11 instalments of specific frequency	461.02
12-24 months	7.95% to 9.21%	11 to 20 instalments of quarterly and specific frequency	646.94
upto 12 months	8.60% to 9.29%	1 to 20 instalments of bullet and quarterly frequency	110.57
Total			**1,446.29**

Loans are classified in respective time buckets based on option date.

II BORROWINGS (other than debt securities) (Contd.)

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

C) External commercial borrowing

As at March 31, 2021

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	4.59% to 10.87%	11 to 13 instalments of half-yearly and specific frequency	1,566.94
24-36 months	9.83% to 10.02%	Bullet frequency	2,555.55
Total			**4,122.49**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.63% to 11.06%	11 to 13 instalments of half-yearly and specific frequency	1,694.61
36-48 months	9.83% to 10.02%	Bullet frequency	2,606.00
Total			**4,300.61**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

D) Loans repayable on demand from banks (Cash credit from banks)

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2021
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.20% to 11.70%	667.38
Total		**667.38**

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2020
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.00 % to 11.40 %	2,016.39
Total		**2,016.39**

II BORROWINGS (other than debt securities) (Contd.)

E) Other loans - INR -Securitisation liabilities

As at March 31, 2021

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.93% to 9.98%	1 to 88 instalments monthly frequency	3,297.86
48-60 months	8.38% to 11.15%	1 to 69 instalments monthly frequency	8,056.62
36 - 48 months	7.99% to 11.00%	1 to 63 instalments monthly frequency	7,347.62
24 - 36 months	8.31% to 10.53%	1 to 61 instalments monthly frequency	3,482.40
12 - 24 months	6.90% to 8.84%	1 to 60 instalments monthly frequency	1,219.10
Total			**23,403.60**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
above 60 months	9.40% to 10.02%	1 to 57 instalments monthly frequency	676.13
48-60 months	7.99% to 10.97%	1 to 63 instalments monthly frequency	9,882.22
36 - 48 months	8.32% to 10.56%	1 to 61 instalments monthly frequency	6,053.47
24 - 36 months	6.90% to 8.87%	1 to 60 instalments monthly frequency	2,526.03
12 - 24 months	7.00% to 7.53%	1 to 55 instalments monthly frequency	303.11
upto 12 months	8.28% to 10.21%	1 to 57 instalments monthly frequency	2,011.08
Total			**21,452.04**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

III DEPOSITS

A) Deposits from public - unsecured -[refer note 65]

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,906.84	-	**1,906.84**
36-48 months	1,122.74	-	**1,122.74**
24-36 months	3,967.54	-	**3,967.54**
12-24 months	3,595.91	-	**3,595.91**
upto 12 months	5,197.68	-	**5,197.68**
Total	**15,790.71**	**-**	**15,790.71**

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,010.22	-	**1,010.22**
36-48 months	1,140.06	-	**1,140.06**
24-36 months	3,089.58	-	**3,089.58**
12-24 months	3,766.77	-	**3,766.77**
upto 12 months	2,761.85	-	**2,761.85**
Total	**11,768.48**	**-**	**11,768.48**

III DEPOSITS (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Deposits from public	15,790.71	11,768.48

B) Deposits from corporates - unsecured

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	13.33	-	**13.33**
36-48 months	4.73	-	**4.73**
24-36 months	87.95	-	**87.95**
12-24 months	38.44	-	**38.44**
upto 12 months	247.66	-	**247.66**
Total	**392.11**	**-**	**392.11**

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	4.53	-	**4.53**
36-48 months	2.16	-	**2.16**
24-36 months	18.08	-	**18.08**
12-24 months	71.44	-	**71.44**
upto 12 months	56.01	-	**56.01**
Total	**152.22**	**-**	**152.22**

C) Inter-corporate deposits (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2021
upto 12 months	7.50%	Bullet repayment	49.59
Total			**49.59**

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2020
upto 12 months	7.50%	Bullet repayment	39.42
Total			**39.42**

IV SUBORDINATED LIABILITIES

A) Subordinated liabilities -unsecured - Bonds

i) Privately placed subordinated debts of Rs. 1,000/- each

Terms of repayment as on March 31, 2021

Outstanding as on March 31, 2021: Nil

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	532.07	-	**532.07**
Total	**-**	**532.07**	**-**	**532.07**

IV SUBORDINATED LIABILITIES (Contd.)

(Rs. in crores)

Subordinated liabilities (unsecured) - Bonds	As at March 31, 2021	As at March 31, 2020
Privately placed	-	532.07
Total Subordinated liabilities (unsecured) - Bonds	**-**	**532.07**

B) Subordinated liabilities -unsecured - Debentures

i) Privately placed subordinated liabilities of Rs. 100,000/- each

Terms of repayment as on March 31, 2021

Outstanding as on March 31, 2021: Nil

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	74.94	-	**74.94**
Total	**-**	**74.94**	**-**	**74.94**

ii) Privately placed subordinated liabilities of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,531.88	78.89	-	**1,610.77**
48-60 months	39.82	56.79	-	**96.61**
36-48 months	41.00	536.25	1,642.51	**2,219.76**
24-36 months	-	332.62	-	**332.62**
12-24 months	-	309.06	-	**309.06**
upto 12 months	-	-	51.94	**51.94**
Total	**1,612.70**	**1,313.61**	**1,694.45**	**4,620.76**

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,570.91	135.51	-	**1,706.42**
48-60 months	40.97	531.22	1,609.30	**2,181.49**
36-48 months	-	332.37	-	**332.37**
24-36 months	-	308.85	-	**308.85**
12-24 months	-	-	51.86	**51.86**
upto 12 months	-	482.07	-	**482.07**
Total	**1,611.88**	**1,790.02**	**1,661.16**	**5,063.06**

(Rs. in crores)

Subordinated liabilities (unsecured) - Debentures	As at March 31, 2021	As at March 31, 2020
Privately placed (i+ii)	4,620.76	5,138.00
Total Subordinated liabilities (unsecured) - Debentures	**4,620.76**	**5,138.00**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
26	**OTHER FINANCIAL LIABILITIES**		
	Investor education and protection fund shall be credited by the following amounts (as and when due)		
	- Unclaimed dividend	9.81	10.57
	- Unclaimed matured deposits and interest accrued thereon	106.74	150.02
	- Unclaimed matured debentures and interest accrued thereon	15.62	15.45
	- Unclaimed matured subordinated debts and interest accrued thereon	36.43	81.69
	Temporary credit balance in bank accounts	57.27	26.63
	Payable on account of assignment	178.07	78.78
	Payable to dealers	2.63	0.99
	Payable to employees	134.51	146.41
	Retention money and other sundry liabilities	156.69	217.27
	Interim dividend payable	151.84	-
	Other liabilities *	114.74	184.51
	Total	**964.35**	**912.32**

* Other liabilities include amount payable to Banks for credit card payments, settlement dues payable to resigned employees, etc,.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
27	**CURRENT TAX LIABILITIES (NET)**		
	For taxation [net of advance tax Rs. 3.10 crores (March 31, 2020: Rs. 1,077.82 crores)]	102.02	102.02
	Total	**102.02**	**102.02**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
28	**PROVISIONS**		
	For employee benefits		
	For gratuity (refer note 46)	2.07	3.37
	For compensated absences (leave encashment and availment)	37.02	34.06
	For others		
	For undrawn loan commitment	10.70	16.15
	For taxes- contested	92.75	92.75
	Total	**142.54**	**146.33**

28 PROVISIONS (Contd.)

Loan commitments

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53.02.02.06.

(Rs. in crores)

Particulars	As at March 31, 2021 Stage 1 Collective	As at March 31, 2020 Stage 1 Collective
Internal rating grade		
Performing		
High grade	148.66	311.87
Total	**148.66**	**311.87**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

(Rs. in crores)

Particulars	Year ended March 31, 2021 Stage 1	Year ended March 31, 2020 Stage 1
Opening balance of outstanding exposure	311.87	471.92
New exposures	88.39	233.39
Exposures cancelled or disbursed (excluding writeoffs)	(251.60)	(393.44)
Closing balance of outstanding exposure	**148.66**	**311.87**

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2021 General approach Stage 1	Year ended March 31, 2020 General approach Stage 1
ECL allowance - opening balance	16.15	11.76
New exposures	5.13	10.78
Exposures cancelled or disbursed (excluding writeoffs)	(10.58)	(6.39)
ECL allowance - closing balance	**10.70**	**16.15**

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
29 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues payable	85.45	73.96
Advance from customers	13.81	9.32
Total	**99.26**	**83.28**

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
30 EQUITY SHARE CAPITAL		
Authorised:		
647,000,000 (March 31, 2020: 647,000,000) equity shares of Rs.10/- each	647.00	647.00
95,000,000 (March 31, 2020: 95,000,000) preference shares of Rs.100/- each	950.00	950.00
	1,597.00	**1,597.00**
Issued share capital		
253,067,654 (March 31, 2020: 226,888,877) equity shares of Rs. 10/- each	253.07	226.89
Subscribed share capital		
253,061,513 (March 31, 2020: 226,882,736) equity shares of Rs. 10/- each	253.06	226.88
Paid up (fully paid up)		
Equity shares		
253,061,513 (March 31, 2020: 226,882,736) equity shares of Rs. 10/- each fully paid up	253.06	226.88
	253.06	**226.88**
Nil [March 31, 2020: Nil; equity shares of Rs.10/- each (Rs. 5/- each paid up forfeited)] *	-	-
Total Equity	**253.06**	**226.88**

* The shareholders in their 40th annual general meeting held on June 27, 2019 considered and approved the cancellation of the forfeited shares from the issued and subscribed share capital of the Company.

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2019	**226,882,736**	**226.88**
Issued during the year	-	-
As at March 31, 2020	**226,882,736**	**226.88**
Issued during the year #	26,178,777	26.18
As at March 31, 2021	**253,061,513**	**253.06**

On August 06, 2020, the Company allotted fully paid-up 261,78,777 Equity Shares of face value of Rs. 10/- each to the eligible equity shareholders at an issue price of Rs. 570/- per Equity Share (including premium of Rs. 560/- per Equity Share) in the Rights Issue, which opened on July 16, 2020 and closed on July 30, 2020. The entire proceeds of the Rights Issue have been utilised as per the objects stated in the offer document for the Rights issue. The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by Rs. 26.18 crores and securities premium reserve by Rs. 1,446.46 crores (net of share issue expenses of Rs. 19.55 crores).

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2021, the total dividend per equity share proposed for distribution to equity shareholders is Rs. 18.00 (March 31, 2020 : Rs. 5.00). Out of the said total dividend proposed for the year ended March 31, 2021, the total amount of interim dividend declared during the year was Rs. 12.00 (March 31, 2020 : Rs. 5.00) per equity share and amount of final dividend proposed by the Board of Directors is Rs. 6.00 (March 31, 2020: Rs. Nil) per equity share. The Board of Directors at its meeting held on October 29, 2020, had declared interim dividend of Rs. 6 /- per equity share of Rs. 10/- each for the financial year 2020-2021. The payment was made on November 26, 2020. The Board of Directors at its meeting held on March 25, 2021, had declared interim dividend of Rs. 6 /- per equity share of Rs. 10/- each for the financial year 2020-2021. The payment was made on April 16, 2021.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

30 EQUITY SHARE CAPITAL (Contd.)

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Nil.

d. Details of shareholders holding more than 5% equity shares in the Company

Details of shareholding	As at March 31, 2021		As at March 31, 2020	
Name of the shareholder	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10/- each				
Shriram Capital Limited	66,964,947	26.46%	59,504,947	26.23%

e. Refer note 51- Capital management for the Company's objectives, policies and processes for managing capital

f. Proposed dividends on equity shares:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Proposed dividend on equity shares for the year ended on March 31, 2021: Rs. 6.00 per share (March 31, 2020: Rs. Nil per share)	151.84	-
Total	**151.84**	-

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
31 OTHER EQUITY		
Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
Opening balance	**3,668.93**	**3,168.55**
Add: Transfer from retained earnings	497.46	500.38
Closing balance	**4,166.39**	**3,668.93**
Securities premium		
Opening balance	**1,754.81**	**1,754.81**
Add: Premium on shares issued during the year	1,466.01	-
Less: Rights issue expenses	(19.55)	-
Closing balance	**3,201.27**	**1,754.81**
Capital reserve		
Opening balance	**27.64**	**27.62**
Add: Transfer from share forfeiture account	-	0.02
Closing balance	**27.64**	**27.64**
Capital redemption reserve	**53.88**	**53.88**
Debenture redemption reserve		
Opening Balance	**610.41**	**374.62**
Add: Transfer from retained earnings	337.87	345.26
Less: Transfer to retained earnings on account of redemption	(26.87)	(109.47)
Closing balance	**921.41**	**610.41**
General reserve		
Opening balance	**2,414.54**	**2,164.35**
Add: Transfer from retained earnings	248.73	250.19
Closing balance	**2,663.27**	**2,414.54**

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
31 OTHER EQUITY (Contd.)		
Other comprehensive income		
Opening balance	**(9.66)**	**(4.92)**
Add: Remeasurement gain/(loss) on defined benefit plan (net of tax)	-	(4.74)
Add: Gain/(loss) on effective portion of hedging instruments in a cash flow hedge (net of tax)	(93.02)	-
Closing balance	**(102.68)**	**(9.66)**
Retained earnings		
Opening balance	**9,257.73**	**8,070.47**
Add: Profit for the current year	2,487.26	2,501.84
Add /(Less): Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(497.46)	(500.38)
Transfer to general reserve	(248.73)	(250.19)
Transfer to debenture redemption reserve	(311.00)	(235.79)
Interim dividend	(303.67)	(113.44)
Tax on interim dividend	-	(23.32)
Final dividend	-	(158.82)
Tax on final dividend	-	(32.64)
Total appropriations	**(1,360.86)**	**(1,314.58)**
Retained earnings	**10,384.13**	**9,257.73**
Total	**21,315.31**	**17,778.28**

Nature and purpose of reserves

Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

Capital redemption reserve: The Company has recognised Capital redemption reserve on redemption of non-convertible redeemable preference shares from its retained earnings. The amount in Capital redemption reserve is equal to nominal amount of the non-convertible redeemable preference shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve.

Debenture redemption reserve:

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture redemption reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the Balance sheet date.

(2) As per the notification G.S.R. 574(E) dated August 16, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR need not be created for debentures issued by a Non-Banking Finance Company subsequent to the notification date. The Company has not created DRR on public issue of non-convertible debentures issued after the date of said notification.

(3) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 337.87 crores (March 31, 2020: Rs. 345.26 crores). The Company subsequent to the year end has deposited a sum of Rs. 498.41 crores (March 31, 2020: Rs. 15.84 crores) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

(4) On redemption of the debentures for which the DRR is created, the amounts no longer necessary to be retained in this account need to be transferred to the Retained earnings.

31 OTHER EQUITY (Contd.)

General reserve: Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory reserve: Every year the Company transfers a of sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Other comprehensive income: Other comprehensive income includes cash flow hedge reserve and remeasurement gain/(loss) on defined benefit plan

a) Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to the statement of profit and loss only when the hedged transaction affects the statement of profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

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

(Rs. in crores)

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
32 INTEREST INCOME						
Interest on loans	16,611.31	-	**16,611.31**	15,690.72	-	**15,690.72**
Interest income from investments	264.82	3.75	**268.57**	214.53	1.00	**215.53**
Interest on deposits with banks						
- Margin money deposit	137.34	-	**137.34**	208.75	-	**208.75**
- Deposits with banks	37.22	-	**37.22**	66.95	-	**66.95**
Other interest income						
- delayed payments by customers	42.40	-	**42.40**	60.52	-	**60.52**
- unwinding of security deposit	3.07	-	**3.07**	3.05	-	**3.05**
- direct assignment	28.23	-	**28.23**	21.94	-	**21.94**
Total	**17,124.39**	**3.75**	**17,128.14**	**16,266.46**	**1.00**	**16,267.46**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
33 FEE AND COMMISSION INCOME		
Income from commission services- life insurance	20.66	20.39
Income from commission services- general insurance	54.36	63.58
Income from loan related and other commission services	40.84	111.00
Total	**115.86**	**194.97**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Type of services or service		
Fee and commission income	115.86	194.97
Total revenue from contract with customers	**115.86**	**194.97**
Geographical markets		
India	115.86	194.97
Outside India	-	-
Total revenue from contract with customers	**115.86**	**194.97**
Timing of revenue recognition		
Services transferred at a point in time	115.86	194.97
Services transferred over time	-	-
Total revenue from contracts with customers	**115.86**	**194.97**

33 FEE AND COMMISSION INCOME (Contd.)

Contract balance

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	8.92	10.50
Contract assets	-	-

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
34 NET GAIN/ (LOSS) ON FAIR VALUE CHANGES		
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others:		
- Investment in shares, venture capital fund, mutual funds and certificate of deposits	22.87	17.80
- Direct assignment	(1.07)	-
- Derivatives	-	(5.88)
Total Net gain/(loss) on fair value changes (C)	**21.80**	**11.92**
Fair value changes:		
- Realised	20.02	18.67
- Unrealised	1.78	(6.75)
Total Net gain/(loss) on fair value changes(D)	**21.80**	**11.92**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
35 OTHER OPERATING INCOME		
Bad debt recovery	95.59	80.73
Total	**95.59**	**80.73**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
36 OTHER INCOME		
Interest on income tax refund	-	5.80
Interest others	1.74	-
Profit on sale of property, plant and equipment	-	1.17
Miscellaneous income	14.21	13.30
Total	**15.95**	**20.27**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
37	**FINANCE COSTS**		
	On Financial liabilities measured at amortised cost		
	Interest on deposits	1,169.47	973.80
	Interest on borrowings (other than debt securities)		
	- Loans from banks	1,239.18	1,251.44
	- Loans from institutions and others	153.59	217.98
	- External commercial borrowings	381.57	461.83
	- Interest paid on securitisation	2,161.71	1,743.54
	Interest on debt securities		
	- Debentures	1,768.36	1,950.39
	- Senior secured notes	102.06	214.37
	- External commercial bond	1,517.36	656.82
	- Commercial paper	3.63	104.50
	Interest on subordinated liabilities	525.27	661.86
	Other interest expense		
	- Interest on lease liability	32.06	33.73
	Total	**9,054.26**	**8,270.26**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
38	**FEE AND COMMISSION EXPENSE**		
	Brokerage	31.34	9.23
	Professional charges-resource mobilisation	28.47	29.29
	Processing charges on loans	1.85	1.89
	Professional charges on securitisation	17.23	16.47
	Total	**78.89**	**56.88**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
39	**IMPAIRMENT ON FINANCIAL INSTRUMENTS**		
	On financial instruments measured at amortised cost		
	Loans (refer note 63)*	3,128.29	2,748.87
	Investments	(4.22)	42.22
	Others		
	Undrawn commitments	(5.45)	4.39
	Other assets	(0.22)	(0.60)
	Total	**3,118.40**	**2,794.88**

* Includes loss on disposal of repossessed vehicles Rs. 557.30 crores for the year ended March 31, 2021 (March 31, 2020: Rs. 699.00 crores).

39 IMPAIRMENT ON FINANCIAL INSTRUMENTS (Contd.)

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

Year ended March 31, 2021 (Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
Loans and advances to customers	1,290.89	538.51	1,298.89	-	**3,128.29**
Debt instruments measured at amortised cost	14.22	(18.44)	-	-	**(4.22)**
Undrawn commitments	(5.45)	-	-	-	**(5.45)**
Others	-	-	-	(0.22)	**(0.22)**
Total impairment loss	**1,299.66**	**520.07**	**1,298.89**	**(0.22)**	**3,118.40**

Year ended March 31, 2020 (Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
Loans and advances to customers	1,088.82	(20.86)	1,680.91	-	**2,748.87**
Debt instruments measured at amortised cost	23.78	18.44	-	-	**42.22**
Undrawn commitments	4.39	-	-	-	**4.39**
Others	-	-	-	(0.60)	**(0.60)**
Total impairment loss	**1,116.99**	**(2.42)**	**1,680.91**	**(0.60)**	**2,794.88**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
40 EMPLOYEE BENEFITS EXPENSES		
Salaries, other allowance and bonus	829.32	926.57
Contribution to provident and other funds	53.36	53.72
Staff welfare expenses	16.62	24.99
Gratuity expenses (refer note 46)	6.95	5.54
Total	**906.25**	**1,010.82**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
41	**DEPRECIATION, AMORTISATION AND IMPAIRMENT**		
	Depreciation of property, plant and equipment	48.26	48.59
	Depreciation of investment property	0.03	0.03
	Amortisation of intangible assets	1.34	1.26
	Depreciation on Right-of-use assets (refer note 18)	87.73	91.17
	Total	**137.36**	**141.05**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
42	**OTHER EXPENSES**		
	Rent (refer note 18)	9.24	9.88
	Rates and taxes	5.04	2.56
	Energy costs	15.21	21.08
	Repairs and maintenance	58.81	56.76
	Communication costs	39.97	49.17
	Printing and stationery	11.57	19.33
	Advertisement and publicity	2.01	14.27
	Director's fees, allowances, and expenses	0.75	0.66
	Auditor fees and expenses (refer note 55, 56 and 57)		
	As Auditor:		
	- Audit fees	0.93	0.88
	- Tax audit fees	0.09	0.09
	- Out of pocket	-	0.04
	In any other manner:		
	- Certification	0.10	0.08
	Legal and professional charges	111.27	58.18
	Other expenditure:		
	Travelling and conveyance	95.34	123.22
	Business promotion	59.30	47.71
	Outsourcing expenses	76.47	75.99
	Royalty	188.95	180.75
	Insurance	2.07	1.38
	Bank charges	34.40	43.18
	Loss on sale of property, plant and equipment (net)	0.65	-
	Service charges	47.95	45.67
	CSR expenses (refer note 61)	64.96	53.16
	Miscellaneous expenses	38.15	59.16
	Total	**863.23**	**863.20**

43 INCOME TAX

The components of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are:

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	1,197.77	921.20
Adjustment in respect of current income tax of prior years	138.34	0.84
Deferred tax relating to origination and reversal of temporary differences	(545.36)	14.79
Total tax charge	**790.75**	**936.83**
Current tax	1,336.11	922.04
Deferred tax	(545.36)	14.79

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and year ended March 31, 2020 is, as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	3,278.01	3,438.67
At India's statutory income tax rate of 25.168% (2020: 25.168%)	825.01	865.44
Adjustment in respect of current income tax of prior years	138.34	0.84
Income subject to tax at special rate		
Long term capital gain on sale of property	-	(0.07)
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	16.35	13.38
Reversal of deferred tax no longer required	-	26.25
Reversal of deferred tax asset on account of adoption of new Income Tax rate	-	21.18
Adjustment in respect of prior years*	(138,34)	-
Others	(50.61)	9.81
Income tax expense reported in the statement of profit and loss	**790.75**	**936.83**

The effective income tax rate for is 24.12% (March 31, 2020: 27.24%).

* Includes adjustment on account of change in tax treatment of an item of deduction claimed in earlier assessment years under Income tax act, 1961 due to changes in facts and circumstances which has resulted in the reassessment of tax estimate as per Ind AS-12.

43 INCOME TAX (Contd.)

Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at March 31, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	22.67	-	(3.22)	-
Provision for post retirement benefits	9.84	-	(0.42)	-
Expenses allowable for tax purposes when paid	37.60	-	(0.34)	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	7.61	(6.60)	-
Cash flow hedge reserve	31.29	-	-	(31.29)
Impairment allowance on loans and advances	532.32	-	(344.27)	-
Impairment allowance for undrawn commitments	12.26	-	(2.21)	-
Fair valuation on derecognisation of financial instrument	-	11.80	11.80	-
Right-of-use assets	12.69	-	(3.88)	-
Other temporary differences	-	0.12	(196.22)	-
Total	**658.67**	**19.53**	**(545.36)**	**(31.29)**

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	19.45	-	(2.65)	-
Provision for post retirement benefits	9.42	-	(0.56)	(1.59)
Expenses allowable for tax purposes when paid	25.45	-	-	-
Reversal of deferred tax no longer required	-	-	26.25	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	14.21	(13.10)	-
Impairment allowance for undrawn commitments	10.05	-	(7.09)	-
Fair valuation of derivative financial instrument	-	1.48		-
Right-of-use assets	8.80	-	(4.78)	-
Reversal of deferred tax asset on account of adoption of new Income Tax rate	-	-	21.18	-
Other temporary differences	5.02	-	(4.45)	-
Total	**78.19**	**15.69**	**14.79**	**(1.59)**

Amounts recognised in respect of current tax / deferred tax directly in equity:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-

43 INCOME TAX (Contd.)

Tax losses

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Unused tax losses for which no deferred tax asset has been recognised	-	-

44 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net Profit after tax as per Statement of Profit and Loss (Rs. in crores) (A)	2,487.26	2,501.84
Weighted average number of equity shares for calculating basic EPS (in crores) (B)	24.63	23.29
Weighted average number of equity shares for calculating diluted EPS (in crores) (C)	24.63	23.29
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (B)	100.97	107.44
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (C)	100.97	107.44

Pursuant to Ind AS 33, basic and diluted earnings per share for the year ended March 31, 2020, has been restated for the bonus element in respect of Right Issue made during the year ended March 31, 2021.

45 INVESTMENT IN ASSOCIATES AND STRUCTURED ENTITIES

Associate of the Company is:

Name of the associate	Country of incorporation	Principal place of business	Principal activities	% equity interest March 31, 2021	% equity interest March 31, 2020
Shriram Automall India Limited (SAMIL)	India	New Delhi	Market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.	44.56%	44.56%

The Company has recognised its investment in associate under equity method and not adjusted to fair value at the end of each reporting period.

The Company's share in the associate is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2021*	Year ended March 31, 2020
(a) share in profit or loss from continuing operations.	11.57	10.43
(b) share in post-tax profit or loss from discontinued operations.	-	-
(c) share in other comprehensive income.	0.20	0.25
(d) share in total comprehensive income.	11.77	10.68

*The financial statements of the associate are as per unaudited financial statements provided by the management.

46 RETIREMENT BENEFIT PLAN

a) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs 42.95 crores (March 31, 2020: Rs. 41.06 crores) for Provident fund contributions and Rs. 10.30 crores (March 31, 2020: Rs. 12.54 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The trust is in process of investing entire funds in government securities through third party fund managers and as on March 31, 2021, 85.82 % funds are invested in government securities and balance 14.18 % funds are invested in other equity and debt instruments. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows :

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current service cost	6.73	5.45
Interest expense	4.15	3.78
Interest Income	(3.93)	(3.68)
Past service cost	-	-
Components of defined benefit costs recognised in profit or loss (A)	**6.95**	**5.55**
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(0.66)	(1.18)
Actuarial changes arising from changes in demographic assumptions	(1.40)	-
Actuarial changes arising from changes in financial assumptions	1.34	4.80
Experience adjustments	0.72	2.71
Components of defined benefit costs recognised in other comprehensive income (B)	-	**6.33**
Total (A+B)	**6.95**	**11.88**

46 RETIREMENT BENEFIT PLAN (Contd.)

Movement in the present value of the defined benefit obligation are as follows :

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	63.25	49.43
Expenses recognised in statement of profit and loss :		
Current service cost	6.73	5.45
Interest expense/(income)	4.15	3.78
Recognised in other comprehensive income remeasurement gains/(losses)	0.66	7.51
Past service cost	-	-
Liability transferred in/acquisitions	0.01	-
Benefits paid from the fund	(1.92)	(2.92)
Present value of defined obligation at the end of the year	**72.88**	**63.25**

Change in the Fair value of plan assets :

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the year	59.88	48.15
Interest income	3.93	3.68
Contributions by the employer	8.25	9.79
Benefits paid from the fund	(1.92)	(2.92)
Return on plan assets excluding interest income	0.66	1.18
Fair value of plan assets at the end of the year	**70.80**	**59.88**

Calculation of benefit liability/(asset) :

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation	72.88	63.25
Fair value of plan assets	70.80	59.88
Benefit liability	**2.08**	**3.37**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Expected return on plan assets	6.33%	6.56%
Rate of discounting	6.33%	6.56%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 25.00% p.a. and for service 5 years and above 6.50% p.a.	For service 4 years and below 20.00% p.a. and for service 5 years and above 7.50% p.a.
Mortality rate during employment	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

46 RETIREMENT BENEFIT PLAN (Contd.)

Investments quoted in active markets:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Government securities	60.76	49.00
Debt and other instruments	10.05	10.88
Total	**70.81**	**59.88**

(Rs. in crores)

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2021	Impact on defined benefit obligation March 31, 2020
Discount rate	1% increase	(5.50)	(4.47)
	1% decrease	6.37	5.14
Future salary increases	1% increase	6.32	5.10
	1% decrease	(5.55)	(4.51)
Attrition rate	1% increase	0.56	0.49
	1% decrease	(0.64)	(0.57)

(Rs. in crores)

Expected payment for future years	As at March 31, 2021	As at March 31, 2020
Within the next 12 months (next annual reporting period)	7.30	6.35
Between 2 and 5 years	22.48	21.74
Between 5 and 10 years	28.17	25.62
Beyond 10 years	80.13	64.26
Total expected payments	**138.08**	**117.97**

The Company expects to contribute Rs. 10.09 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2021 is 9 years (March 31, 2020: 9 years)

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

46 RETIREMENT BENEFIT PLAN (Contd.)

c) Compensated Absences

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Rate of discounting	6.33%	6.56%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	25.00%	20.00%
Service 5 years and above	6.50%	7.50%
Mortality	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Expenses recognised in statement of profit and loss	15.33	17.94

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2021.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in crores)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	11,050.93	-	**11,050.93**	3,088.99	-	**3,088.99**
Bank balance other than above	4,886.78	504.11	**5,390.89**	4,204.15	21.78	**4,225.93**
Derivative financial instruments	100.51	68.74	**169.25**	758.73	-	**758.73**
Receivables						
(I) Trade receivables	8.92	-	**8.92**	10.50	-	**10.50**
(II) Other receivables	49.90	-	**49.90**	5.64	-	**5.64**
Loans	37,930.19	70,372.85	**108,303.04**	28,287.31	73,944.32	**102,231.63**
Investments	523.21	2,674.64	**3,197.85**	361.47	2,437.01	**2,798.48**
Other financial assets	2.07	46.96	**49.03**	-	38.70	**38.70**
Non-financial Assets						
Current tax asset	-	171.73	**171.73**	-	249.10	**249.10**
Deferred tax assets (net)	-	639.14	**639.14**	-	62.50	**62.50**
Investment property	-	2.00	**2.00**	-	2.03	**2.03**
Property, plant and equipment	-	124.44	**124.44**	-	149.88	**149.88**
Right-of-use assets	-	308.51	**308.51**	-	334.29	**334.29**
Other intangible assets	-	2.39	**2.39**	-	2.67	**2.67**
Other non-financial assets	41.68	169.16	**210.84**	44.10	125.47	**169.57**
Total assets	**54,594.19**	**75,084.67**	**129,678.86**	**36,760.89**	**77,367.75**	**114,128.64**
Liabilities						
Financial Liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**	0.40	-	**0.40**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	255.51	-	**255.51**	143.44	-	**143.44**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.37	-	**0.37**	-	-	**-**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.54	-	**0.54**	1.13	-	**1.13**
Debt securities	12,471.61	27,590.26	**40,061.87**	6,484.83	27,782.13	**34,266.96**
Borrowings (other than debt securities)	20,285.69	24,995.68	**45,281.37**	16,550.38	25,924.22	**42,474.60**
Deposits	5,494.92	10,737.49	**16,232.41**	2,857.28	9,102.84	**11,960.12**
Subordinated liabilities	69.31	4,551.45	**4,620.76**	1,114.07	4,556.00	**5,670.07**
Lease liabilities	74.29	275.20	**349.49**	80.97	281.84	**362.81**
Other financial liabilities	829.50	134.85	**964.35**	787.82	124.50	**912.32**
Non-financial Liabilities						
Current tax liabilities (net)	102.02	-	**102.02**	102.02	-	**102.02**
Provisions	105.52	37.02	**142.54**	112.27	34.06	**146.33**
Other non-financial liabilities	99.26	-	**99.26**	83.28	-	**83.28**
Total Liabilities	**39,788.54**	**68,321.95**	**108,110.49**	**28,317.89**	**67,805.59**	**96,123.48**
Net	**14,805.65**	**6,762.72**	**21,568.37**	**8,443.00**	**9,562.16**	**18,005.16**

48 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Rs. in crores)

Particulars	As at March 31, 2020	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2021
Debt securities	34,266.96	4,838.70	-	-	956.21	40,061.87
Borrowings (other than debt securities)	42,474.60	2,447.10	-	-	359.67	45,281.37
Deposits	11,960.12	4,206.86	-	-	65.43	16,232.41
Subordinated liabilities	5,670.07	(1,069.27)	-	-	19.96	4,620.76
Lease liabilities	362.81	(96.16)	-	-	82.84	349.49
Total liabilities from financing activities	**94,734.56**	**10,327.23**	**-**	**-**	**1,484.11**	**106,545.90**

(Rs. in crores)

Particulars	As at March 31, 2019	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2020
Debt securities	34,181.76	353.95	-	-	(268.75)	34,266.96
Borrowings (other than debt securities)	37,189.30	3,326.77	-	-	1,958.53	42,474.60
Deposits	10,341.46	1,661.62	-	-	(42.96)	11,960.12
Subordinated liabilities	6,201.88	487.32	-	-	(1,019.13)	5,670.07
Lease liabilities	-	(110.46)	-	-	473.27	362.81
Total liabilities from financing activities	**87,914.40**	**5,719.20**	**-**	**-**	**1,100.96**	**94,734.56**

49 CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent Liabilities

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
a.	In respect of Income tax demands where the Company has filed appeal before various authorities	133.64	133.64
b.	VAT demand where the Company has filed appeal before various appellates	117.21	117.21
c.	Service tax demands where the Company has filed appeal before various authorities	1,976.41	325.99
d.	Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	5.00
	Total	**2,232.26**	**581.84**

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

Disputed income tax demands are on account of royalty, disallowance of ESOP expenses, 14A, derivatives etc.

(B) Commitments not provided for

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
a.	Estimated amount of contracts remaining to be executed on capital account, net of advances	3.53	4.15
b.	Commitments related to loans sanctioned but undrawn	148.66	311.87

50 RELATED PARTY DISCLOSURES

Relationship		Name of the party
I	Promoter	: Shriram Capital Limited
II	Promoter group	: Shriram Financial Ventures (Chennai) Private Limited Shriram Value Services Limited Novac Technology Solutions (P) Limited Shriram Fortune Solutions Limited Shriram General Insurance Company Limited Shriram Insight Share Brokers Limited Shriram Life Insurance Company Limited Shriram Asset Management Company Limited Shriram Financial Products Solutions (Chennai) Private Limited Insight Commodities and Futures Private Limited Shriram Credit Company Limited Shriram Overseas Investments Private Limited Shriram Wealth Advisors Limited Bharath Investments Pte. Ltd., Singapore SGI Philippines General Insurance Co. Inc. Novac Digital Service Private Limited Snotter Technology Services Private Limited SEA funds Management India Private Limited Way2wealth Insurance Brokers Private Limited Way2wealth Securities Private Limited Way2wealth Brokers Private Limited Way2wealth Commodities Private Limited
III	Associates	Shriram Automall India Limited (SAMIL) Cartradeexchange Solutions Private Limited Adroit Inspection Service Private Limited Augeo Asset Management Private Limited (from January 08, 2020)
IV	Key Management Personnel	: Mr. Umesh Revankar, Managing Director & CEO Mr. S. Lakshminarayanan Mrs. Kishori Udeshi Mr. S. Sridhar Mr. Pradeep Kumar Panja Mr. D. V. Ravi Mr. Ignatius Michael Viljoen (from May 14, 2019) Mr. Puneet Bhatia (upto August 19, 2020) Mr. Sumatiprasad M. Bafna (upto March 31, 2019) Mr. Amitabh Chaudhry (upto October 25, 2018)
V	Relatives of Key Management Personnel	: Mrs. Suchita U. Revankar (spouse of Managing Director & CEO) Mrs. Geeta G. Revankar (mother of Managing Director & CEO) Mr. Anil G. Revankar (brother of Managing Director & CEO) Mr. Shreyas U. Revankar (son of Managing Director & CEO) Mr. Shirish U. Revankar (son of Managing Director & CEO)
VI	Employees' benefit plan	Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme

50 RELATED PARTY DISCLOSURES (Contd.)

Summary of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Payments/Expenses														
Payment to key management personnel	-	-	-	-	-	-	-	-	1.68	1.76	-	-	**1.68**	**1.76**
Royalty	-	-	173.35	86.87	-	-	-	-	-	-	-	-	**173.35**	**86.87**
Service charges	43.99	41.90	-	-	-	-	-	-	-	-	-	-	**43.99**	**41.90**
I.T. and BPO charges	-	-	68.03	68.88	-	-	-	-	-	-	-	-	**68.03**	**68.88**
Rent	0.26	0.78	0.02	0.02	7.94	7.04	-	-	-	-	-	-	**8.22**	**7.84**
Business mobilisation expenses	-	-	-	-	0.02	0.04	-	-	-	-	-	-	**0.02**	**0.04**
Other administrative expenses	0.03	0.04	-	-	10.28	11.11	-	-	-	-	-	-	**10.31**	**11.15**
Insurance premium	-	-	9.46	8.91	-	-	-	-	-	-	-	-	**9.46**	**8.91**
Commission	-	-	67.55	34.97	-	-	-	-	-	-	-	-	**67.55**	**34.97**
Sales promotion	-	-	21.20	1.92	-	-	-	-	-	-	-	-	**21.20**	**1.92**
Valuation charges	-	-	-	-	0.44	0.09	-	-	-	-	-	-	**0.44**	**0.09**
Interest	0.01	0.26	47.17	53.74	5.46	2.97	-	-	0.20	-	0.01	0.01	**52.85**	**56.99**
Equity dividend	37.17	71.17	0.03	-	-	-	-	-	-	-	0.00	0.00	**37.20**	**71.17**
Non-convertible debenture (secured) matured	-	-	0.19	80.11	-	-	-	-	-	-	-	-	**0.19**	**80.11**
Fixed deposit matured	-	-	-	14.00	-	-	-	-	0.75	-	0.03	0.01	**0.78**	**14.01**
Subordinated debt matured	0.37	1.72	31.50	45.00	1.39	1.39	-	-	-	-	-	-	**33.26**	**48.11**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	8.25	9.79	-	-	-	-	**8.25**	**9.79**
Inter-corporate deposit repaid	-	74.00	-	-	90.85	51.50	-	-	-	-	-	-	**90.85**	**125.50**
Receipts/Income														
Common sharing expenses	0.01	0.01	1.12	1.17	0.47	0.65	-	-	-	-	-	-	**1.60**	**1.83**
Rent and electricity	0.16	0.15	-	-	4.67	4.64	-	-	-	-	-	-	**4.83**	**4.79**
Other administrative expenses	-	-	-	-	-	0.14	-	-	-	-	-	-	**-**	**0.14**
Commission	-	-	71.46	79.11	-	-	-	-	-	-	-	-	**71.46**	**79.11**
Non-convertible debenture (secured)	-	-	35.00	2.86	-	-	-	-	-	0.10	-	-	**35.00**	**2.96**
Fixed deposit	-	-	12.30	1.50	20.00	-	-	-	1.08	-	0.08	0.05	**33.46**	**1.55**
Unsecured loan and advances repaid	-	-	-	-	15.06	14.44	-	-	-	-	-	-	**15.06**	**14.44**
Received towards right issue	425.22	-	0.39	-	-	-	-	-	-	-	0.00	-	**425.61**	**-**
Inter-corporate deposit received	-	74.00	-	-	102.30	63.40	-	-	-	-	-	-	**102.30**	**137.40**
Balance outstanding at the year end														
Share capital	66.96	59.50	0.06	0.05	-	-	-	-	-	-	0.00	0.00	**67.02**	**59.56**
Investment in equity shares	-	-	-	-	13.37	13.37	-	-	-	-	-	-	**13.37**	**13.37**
Unsecured loan and advances payable	-	-	-	-	1.23	0.41	-	-	-	-	-	-	**1.23**	**0.41**
Commission receivable	-	-	8.16	9.56	-	-	-	-	-	-	-	-	**8.16**	**9.56**
Prepaid for insurance premium	-	-	2.73	2.84	-	-	-	-	-	-	-	-	**2.73**	**2.84**
Outstanding expenses	11.16	10.43	72.96	44.13	0.03	-	-	-	-	-	-	-	**84.15**	**54.55**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Fixed deposit*	-	-	14.34	1.55	20.00	-	-	-	1.70	1.45	0.19	0.13	**36.23**	**3.13**
Subordinated debt*	-	0.41	495.36	422.19	-	2.76	-	-	-	-	-	-	**495.36**	**425.37**
Non-convertible debenture (secured)*	-	-	53.19	15.12	23.17	22.77	-	-	2.86	2.61	-	-	**79.22**	**40.50**
Inter-corporate deposit*	-	-	-	-	49.59	39.42	-	-	-	-	-	-	**49.59**	**39.42**

Income /expenses are presented excluding GST
Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.
There were no guarantees given on behalf of related parties during the year.
* Refer note 22 Debt securities, note 24 Deposits and note 25 Subordinated liabilities, for terms and conditions of non-convertible debentures, fixed deposit, inter-corporate deposit and subordinated debt respectively.

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Payments/Expenses														
Employee benefits for key management personnel														
- Short term benefits	-	-	-	-	-	-	-	-	0.83	0.97	-	-	**0.83**	**0.97**
- Post employment benefits	-	-	-	-	-	-	-	-	0.16	0.19	-	-	**0.16**	**0.19**
Commission and sitting fee paid to directors														
- Mr. Amitabh Chaudhry	-	-	-	-	-	-	-	-	-	0.04	-	-	**-**	**0.04**
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	0.16	0.12	-	-	**0.16**	**0.12**
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.18	0.14	-	-	**0.18**	**0.14**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.17	0.10	-	-	**0.17**	**0.10**
- Mr. Sumatiprasad M. Bafna	-	-	-	-	-	-	-	-	-	0.09	-	-	**-**	**0.09**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.18	0.11	-	-	**0.18**	**0.11**
License fees														
- Shriram Value Services Limited	-	-	173.35	86.87	-	-	-	-	-	-	-	-	**173.35**	**86.87**
Service charges														
- Shriram Capital Limited	43.99	41.90	-	-	-	-	-	-	-	-	-	-	**43.99**	**41.90**
Voice call services charges														
- Shriram Value Services Limited	-	-	-	21.26	-	-	-	-	-	-	-	-	**-**	**21.26**
- Novac Technology Solutions (P) Limited	-	-	24.37	7.43	-	-	-	-	-	-	-	-	**24.37**	**7.43**
I.T. and BPO charges														
- Novac Technology Solutions (P) Limited	-	-	43.66	40.18	-	-	-	-	-	-	-	-	**43.66**	**40.18**
Rent				-										
- Shriram Automall India Limited	-	-	-	-	7.94	7.04	-	-	-	-	-	-	**7.94**	**7.04**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
- Shriram Capital Limited	0.26	0.78	-	-	-	-	-	-	-	-	-	-	**0.26**	**0.78**
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	**0.02**	**0.02**
Business mobilisation expenses														
- Shriram Automall India Limited	-	-	-	-	0.02	0.04	-	-	-	-	-	-	**0.02**	**0.04**
Other administrative expenses														
- Shriram Capital Limited	0.03	0.04	-	-	-	-	-	-	-	-	-	-	**0.03**	**0.04**
- Shriram Automall India Limited	-	-	-	-	10.28	11.11	-	-	-	-	-	-	**10.28**	**11.11**
Insurance premium														
- Shriram Life Insurance Company Limited	-	-	5.40	5.63	-	-	-	-	-	-	-	-	**5.40**	**5.63**
- Shriram General Insurance Company Limited	-	-	4.06	3.28	-	-	-	-	-	-	-	-	**4.06**	**3.28**
Commission														
- Shriram Fortune Solutions Limited	-	-	51.21	26.03	-	-	-	-	-	-	-	-	**51.21**	**26.03**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	9.10	3.31	-	-	-	-	-	-	-	-	**9.10**	**3.31**
- Shriram Insight Share Brokers Limited	-	-	6.56	5.63	-	-	-	-	-	-	-	-	**6.56**	**5.63**
- Shriram Wealth Advisors Limited	-	-	0.68	-	-	-	-	-	-	-	-	-	**0.68**	**-**
Sales promotion														
- Shriram Fortune Solutions Limited	-	-	15.91	-	-	-	-	-	-	-	-	-	**15.91**	**-**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	3.48	0.75	-	-	-	-	-	-	-	-	**3.48**	**0.75**
- Shriram Insight Share Brokers Limited	-	-	1.68	1.17	-	-	-	-	-	-	-	-	**1.68**	**1.17**
- Shriram Wealth Advisors Limited	-	-	0.13	-	-	-	-	-	-	-	-	-	**0.13**	**-**
Interest on inter-corporate Deposit														
- Shriram Automall India Limited	-	-	-	-	3.63	2.34	-	-	-	-	-	-	**3.63**	**2.34**
- Shriram Capital Limited	-	0.17	-	-	-	-	-	-	-	-	-	-	**-**	**0.17**
Valuation charges														
- Adroit Inspection Service Private Limited	-	-	-	-	0.44	0.09	-	-	-	-	-	-	**0.44**	**0.09**
Interest on fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.20	-	-	-	**0.20**	**-**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.01	0.01	**0.01**	**0.01**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
- Shriram Fortune Solutions Limited	-	-	-	0.38	-	-	-	-	-	-	-	-	-	0.38
- Shriram Asset Management Company Limited	-	-	-	0.05	-	-	-	-	-	-	-	-	-	0.05
Interest on subordinated debt														
- Shriram Automall India Limited	-	-	-	-	0.17	0.44	-	-	-	-	-	-	0.17	0.44
- Shriram Capital Limited	0.01	0.09	-	-	-	-	-	-	-	-	-	-	0.01	0.09
- Shriram Life Insurance Company Limited	-	-	10.36	9.53	-	-	-	-	-	-	-	-	10.36	9.53
- Shriram General Insurance Company Limited	-	-	32.27	37.17	-	-	-	-	-	-	-	-	32.27	37.17
Interest on non-convertible debenture (secured)														
- Shriram Life Insurance Company Limited	-	-	3.22	4.18	-	-	-	-	-	-	-	-	3.22	4.18
- Shriram General Insurance Company Limited	-	-	-	1.32	-	-	-	-	-	-	-	-	-	1.32
- Shriram Asset Management Company Limited	-	-	1.27	1.10	-	-	-	-	-	-	-	-	1.27	1.10
- Shriram Insight Share Brokers Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	0.05	-
- Shriram Automall India Limited	-	-	-	-	1.66	0.19	-	-	-	-	-	-	1.66	0.19
Equity dividend														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00	0.00
- Shriram Capital Limited	37.17	71.17	-	-	-	-	-	-	-	-	-	-	37.17	71.17
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.03	-	-	-	-	-	-	-	-	-	0.03	-
Non-convertible debenture (secured) matured														
- Shriram Life Insurance Company Limited	-	-	-	58.90	-	-	-	-	-	-	-	-	-	58.90
- Shriram General Insurance Company Limited	-	-	-	21.10	-	-	-	-	-	-	-	-	-	21.10
- Shriram Insight Share Brokers Limited	-	-	0.19	0.11	-	-	-	-	-	-	-	-	0.19	0.11
Fixed deposit matured														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.75	-	-	-	0.75	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.03	0.01	0.03	0.01
- Shriram Fortune Solutions Limited	-	-	-	14.00	-	-	-	-	-	-	-	-	-	14.00

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Subordinated debt matured														
- Shriram Capital Limited	0.37	1.72	-	-	-	-	-	-	-	-	-	-	**0.37**	**1.72**
- Shriram Automall India Limited	-	-	-	-	1.39	1.39	-	-	-	-	-	-	**1.39**	**1.39**
- Shriram General Insurance Company Limited	-	-	25.00	45.00	-	-	-	-	-	-	-	-	**25.00**	**45.00**
- Shriram Life Insurance Company Limited	-	-	6.50	-	-	-	-	-	-	-	-	-	**6.50**	**-**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	8.25	9.79	-	-	-	-	**8.25**	**9.79**
Inter-corporate deposit repaid														
- Shriram Automall India Limited	-	-	-	-	90.85	51.50	-	-	-	-	-	-	**90.85**	**51.50**
- Shriram Capital Limited	-	74.00	-	-	-	-	-	-	-	-	-	-	**-**	**74.00**
TOTAL	**81.83**	**189.87**	**418.50**	**394.40**	**116.38**	**74.14**	**8.25**	**9.79**	**2.63**	**1.76**	**0.04**	**0.02**	**627.63**	**669.99**
Receipts/Income														
Recovery of common sharing expenses														
- Shriram Automall India Limited	-	-	-	-	0.47	0.58	-	-	-	-	-	-	**0.47**	**0.58**
- Shriram Capital Limited	0.01	0.01	-	-	-	-	-	-	-	-	-	-	**0.01**	**0.01**
- Shriram Asset Management Company Limited	-	-	0.06	0.06	-	-	-	-	-	-	-	-	**0.06**	**0.06**
- Shriram Insight Share Brokers Limited	-	-	0.02	0.03	-	-	-	-	-	-	-	-	**0.02**	**0.03**
- Shriram Fortune Solutions Limited	-	-	1.04	1.08	-	-	-	-	-	-	-	-	**1.04**	**1.08**
- Adroit Inspection Service Private Limited	-	-	-	-	-	0.07	-	-	-	-	-	-	**-**	**0.07**
Rent and electricity														
- Shriram Capital Limited	0.16	0.15	-	-	-	-	-	-	-	-	-	-	**0.16**	**0.15**
- Shriram Automall India Limited	-	-	-	-	4.67	4.64	-	-	-	-	-	-	**4.67**	**4.64**
Other administrative expenses														
- Shriram Automall India Limited	-	-	-	-	-	0.14	-	-	-	-	-	-	**-**	**0.14**
Commission														
- Shriram General Insurance Company Limited	-	-	50.80	58.71	-	-	-	-	-	-	-	-	**50.80**	**58.71**
- Shriram Life Insurance Company Limited	-	-	20.66	20.39	-	-	-	-	-	-	-	-	**20.66**	**20.39**
Non-convertible debenture (secured)														
- Key management personnel														
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	0.10	-	-	**-**	**0.10**
- Shriram Asset Management Company Limited	-	-	-	2.16	-	-	-	-	-	-	-	-	**-**	**2.16**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
- Shriram Insight Share Brokers Limited	-	-	-	0.70	-	-	-	-	-	-	-	-	-	0.70
- Shriram Life Insurance Company Limited	-	-	35.00	-	-	-	-	-	-	-	-	-	35.00	-
Fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.93	-	-	-	0.93	-
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.05	-	-	-	0.05	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.10	-	-	-	0.10	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.08	0.05	0.08	0.05
- Shriram Asset Management Company Limited	-	-	12.30	1.50	-	-	-	-	-	-	-	-	12.30	1.50
- Shriram Automall India Limited	-	-	-	-	20.00		-	-	-	-	-	-	20.00	-
Unsecured loan and advances repaid														
- Shriram Automall India Limited	-	-	-	-	15.06	14.44	-	-	-	-	-	-	15.06	14.44
Received towards right issue			-											
- Shriram Capital Limited	425.22	-	-	-	-	-	-	-	-	-	-	-	425.22	-
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.39	-	-		-	-	-	-	-	-	0.39	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	-	0.00	-
Inter-corporate deposit received														
- Shriram Automall India Limited	-	-	-	-	102.30	63.40	-	-	-	-	-	-	102.30	63.40
- Shriram Capital Limited	-	74.00	-	-	-	-	-	-	-	-	-	-	-	74.00
TOTAL	**425.39**	**74.16**	**120.27**	**84.63**	**142.50**	**83.28**	**-**	**-**	**1.08**	**0.10**	**0.08**	**0.05**	**689.32**	**242.22**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

50 RELATED PARTY DISCLOSURES (Contd.)

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance outstanding at the year end														
Share capital														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Shriram Capital Limited	66.96	59.50	-	-	-	-	-	-	-	-	-	-	**66.96**	**59.50**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.06	0.05	-	-	-	-	-	-	-	-	**0.06**	**0.05**
Investment in equity shares														
- Shriram Automall India Limited	-	-	-	-	13.37	13.37	-	-	-	-	-	-	**13.37**	**13.37**
Unsecured loan and advances payable														
- Shriram Automall India Limited	-	-	-	-	1.23	0.41	-	-	-	-	-	-	**1.23**	**0.41**
Commission receivable														
- Shriram General Insurance Company Limited	-	-	6.10	7.65	-	-	-	-	-	-	-	-	**6.10**	**7.65**
- Shriram Life Insurance Company Limited	-	-	2.06	1.91	-	-	-	-	-	-	-	-	**2.06**	**1.91**
Prepaid for insurance premium														
- Shriram General Insurance Company Limited	-	-	1.71	1.78	-	-	-	-	-	-	-	-	**1.71**	**1.78**
- Shriram Life Insurance Company Limited	-	-	1.02	1.06	-	-	-	-	-	-	-	-	**1.02**	**1.06**
Outstanding expenses														
- Shriram Capital Limited	11.16	10.43	-	-	-	-	-	-	-	-	-	-	**11.16**	**10.43**
- Shriram Value Services Limited	-	-	50.35	40.07	-	-	-	-	-	-	-	-	**50.35**	**40.07**
- Novac Technology Solutions (P) Limited	-	-	8.19	1.80	-	-	-	-	-	-	-	-	**8.19**	**1.80**
- Shriram Fortune Solutions Limited	-	-	11.05	1.27	-	-	-	-	-	-	-	-	**11.05**	**1.27**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	2.17	0.31	-	-	-	-	-	-	-	-	**2.17**	**0.31**
- Shriram Insight Share Brokers Limited	-	-	1.03	0.65	-	-	-	-	-	-	-	-	**1.03**	**0.65**
- Adroit Inspection Service Private Limited	-	-	-	-	0.03	-	-	-	-	-	-	-	**0.03**	**-**
- Shriram Asset Management Company Limited	-	-	-	0.02	-	-	-	-	-	-	-	-	**-**	**0.02**
- Shriram Wealth Advisors Limited	-	-	0.17	-	-	-	-	-	-	-	-	-	**0.17**	**-**
Fixed deposit														
- Key management personnel														

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	1.55	1.45	-	-	**1.55**	**1.45**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.05	-	-	-	**0.05**	**-**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**	**-**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.19	0.13	**0.19**	**0.13**
- Shriram Asset Management Company Limited	-	-	14.34	1.55	-	-	-	-	-	-	-	-	**14.34**	**1.55**
- Shriram Automall India Limited	-	-	-	-	20.00	-	-	-	-	-	-	-	**20.00**	**-**
Non-convertible debenture (secured)														
-Key management personnel														
- Mr.Umesh Revankar	-	-	-	-	-	-	-	-	2.49	2.27	-	-	**2.49**	**2.27**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.13	0.12	-	-	**0.13**	**0.12**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.24	0.22	-	-	**0.24**	**0.22**
- Shriram Life Insurance Company Limited	-	-	36.71	-	-	-	-	-	-	-	-	-	**36.71**	**-**
- Shriram Asset Management Company Limited	-	-	15.85	14.49	-	-	-	-	-	-	-	-	**15.85**	**14.49**
- Shriram Insight Share Brokers Limited	-	-	0.63	0.63	-	-	-	-	-	-	-	-	**0.63**	**0.63**
- Shriram Automall India Limited	-	-	-	-	23.17	22.77	-	-	-	-	-	-	**23.17**	**22.77**
Subordinated debt														
- Shriram Automall India Limited	-	-	-	-	-	2.76	-	-	-	-	-	-	**-**	**2.76**
- Shriram Capital Limited	-	0.41	-	-	-	-	-	-	-	-	-	-	**-**	**0.41**
- Shriram Life Insurance Company Limited	-	-	126.63	103.15	-	-	-	-	-	-	-	-	**126.63**	**103.15**
- Shriram General Insurance Company Limited	-	-	368.73	319.04	-	-	-		-	-	-	-	**368.73**	**319.04**
Inter-corporate deposit received														
- Shriram Automall India Limited	-	-	-	-	49.59	39.42	-	-	-	-	-	-	**49.59**	**39.42**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

50 RELATED PARTY DISCLOSURES (Contd.)

Disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. Disclosures relating Loans and Advances /Investments

(Rs. in crores)

Sl No.	Loans and Advances in the nature of Loans	Maximum Amount Outstanding during the year March 2021	Maximum Amount Outstanding during the year March 2020
A)	To Associate		
	- Shriram Automall India Limited	0.38	3.98

II. Shriram Transport Finance Company Limited (STFC) holds 44.56 % of equity shares of the company. Disclosure relating to transactions with STFC is given above.

51 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. Refer note 78 for the Company's Capital ratios.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board. The Company has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards".

52 FAIR VALUE MEASUREMENT

52.01: Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 6.1 (xiii).

52.02: Fair value hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2021

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	79.37	-	**79.37**
Currency swaps	-	(103.23)	-	**(103.23)**
Interest rate swaps	-	9.72	-	**9.72**
Cross currency interest rate swaps	-	181.54	-	**181.54**
Interest rate caps	-	1.85	-	**1.85**
Total derivative financial instruments	**-**	**169.25**	**-**	**169.25**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Equity instruments	-	-	6.74	**6.74**
Venture capital fund	-	1.54	-	**1.54**
Total financial assets held for trading	-	**1.54**	**6.74**	**8.28**
Total assets measured at fair value on a recurring basis	-	**170.79**	**6.74**	**177.53**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	-	**170.79**	**6.74**	**177.53**

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

As at March 31, 2020

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	378.05	-	**378.05**
Currency swaps	-	11.50	-	**11.50**
Interest rate swaps	-	45.77	-	**45.77**
Cross currency interest rate swaps	-	319.50	-	**319.50**
Interest rate caps	-	3.91	-	**3.91**
Total derivative financial instruments	-	**758.73**	-	**758.73**
Financial assets held for trading				
Mutual funds	-	3.02	-	**3.02**
Equity instruments	-	-	3.36	**3.36**
Venture capital fund	-	1.04	-	**1.04**
Total financial assets held for trading	-	**4.06**	**3.36**	**7.42**
Total assets measured at fair value on a recurring basis	-	**762.79**	**3.36**	**766.15**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	-	**762.79**	**3.36**	**766.15**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

52.03: Valuation techniques

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Equity instruments

Investment in units of mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies derivative financial instruments as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Certificate of deposits (CDs)

Certificate of deposits are short-term financial instruments issued by Banks. Financial Benchmark India Private Ltd (FBIL) has developed the FBIL- CD, a new benchmark for the money market based on traded CDs reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform of The Clearing Corporation of India Ltd (CCIL). FBIL-CD is announced for seven tenors of 14 days, 1 month, 2 months, 3 months, 6 months, 9 months and 12 months. For valuation, the Company uses FBIL-CD benchmark and based on that benchmark the Company interpolates and calculates CD prices corresponding to their residual maturities and such instruments are classified as Level 2.

52.04: Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

52.05: Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

52 FAIR VALUE MEASUREMENT (Contd.)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(Rs. in crores)

Particulars	Equity instruments	
	As at March 31, 2021	As at March 31, 2020
Opening balance	**3.36**	**3.58**
Purchase	-	-
Sales	-	-
Issuances	-	-
Settlements	-	-
Transfers into level 3	-	-
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Unrealised gains and losses related to balances held at the end of the year	**3.38**	**(0.22)**
Closing balance	**6.74**	**3.36**

52.06: Impact of changes to key assumptions on fair value of level 3 financial instruments measured at fair value

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(Rs. in crores)

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets As at March 31, 2021	Level 3 assets As at March 31, 2020		
Equity instruments	6.74	3.36	Based on the discounted cashflow	Based on the discounted cashflow

52.07: Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/ unfavourable range.

The table below shows data in relation to level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

(Rs. in crores)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
Equity instruments based on the discounted cashflow	7.11	6.39	3.51	3.18

52 FAIR VALUE MEASUREMENT (Contd.)

52.08: Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non-financial liabilities.

(Rs. in crores)

As at March 31, 2021	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	11,050.93	7,599.40	3,449.44	-	**11,048.84**
Bank balance other than cash and cash equivalents	5,390.89	161.65	5,126.81	-	**5,288.46**
Trade receivables	8.92	-	-	8.92	**8.92**
Other receivables	49.90	-	-	49.90	**49.90**
Loans (excluding impairment loss allowance)	116,191.59	-	-	114,238.50	**114,238.50**
Investments at amortised cost (excluding impairment loss allowance)	3,214.21	2,159.91	-	903.27	**3,063.18**
Other investments	13.37	-	-	13.37	**13.37**
Other financial assets	49.03	-	-	39.68	**39.68**
Total financial assets	**135,968.84**	**9,920.96**	**8,576.25**	**115,253.64**	**133,750.85**
Financial liabilities:					
Trade payables	255.51	-	-	255.51	**255.51**
Other payables	0.91	-	-	0.91	**0.91**
Debt securities	40,061.87	-	47,326.64	-	**47,326.64**
Borrowings (other than debt securities)	45,281.37	-	51,089.94	-	**51,089.94**
Deposits	16,232.41	-	-	16,559.97	**16,559.97**
Subordinated liabilities	4,620.76	-	6,265.88	-	**6,265.88**
Lease liabilities	349.49	-	-	349.49	**349.49**
Other financial liabilities	964.35	-	-	964.35	**964.35**
Total financial liabilities	**107,766.67**	**-**	**104,682.46**	**18,130.23**	**122,812.69**
Off balance sheet items					
Other commitments	148.66	-	-	148.66	**148.66**
Total off-balance sheet items	**148.66**	**-**	**-**	**148.66**	**148.66**

(Rs. in crores)

As at March 31, 2020	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	3,088.99	1,854.21	1,232.41	-	**3,086.62**
Bank balance other than cash and cash equivalents	4,225.93	10.57	4,163.23	-	**4,173.80**
Trade receivables	10.50	-	-	10.50	**10.50**
Other receivables	5.64	-	-	5.64	**5.64**
Loans (excluding impairment loss allowance)	108,501.71	-	-	103,070.32	**103,070.32**
Investments at amortised cost (excluding impairment loss allowance)	2,819.92	1,912.92	-	979.04	**2,891.96**
Other investments	13.37	-	-	13.37	**13.37**
Other financial assets	38.70	-	-	28.87	**28.87**
Total financial assets	**118,704.76**	**3,777.70**	**5,395.64**	**104,107.74**	**113,281.08**
Financial liabilities:					
Trade payables	143.84	-	-	143.84	**143.84**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2020	Carrying amount	Fair value Level-1	Level-2	Level-3	Total
Other payables	1.13	-	-	1.13	**1.13**
Debt securities	34,266.96	-	36,510.59	-	**36,510.59**
Borrowings (other than debt securities)	42,474.60	-	42,704.86	-	**42,704.86**
Deposits	11,960.12	-	-	12,161.38	**12,161.38**
Subordinated liabilities	5,670.07	-	5,367.03	722.40	**6,089.43**
Lease liabilities	362.81	-	-	362.81	**362.81**
Other financial liabilities	912.32	-	-	912.32	**912.32**
Total financial liabilities	**95,791.85**	**-**	**84,582.48**	**14,303.88**	**98,886.36**
Off balance sheet items					
Other commitments	311.87	-	-	311.87	**311.87**
Total off-balance sheet items	**311.87**	**-**	**-**	**311.87**	**311.87**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables, bank overdrafts and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

52.09: Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Instruments with no comparable instruments or valuation inputs are classified as Level 3.

Investment in associate at cost

Investment in associate: As per Ind AS 28 Interest in associate are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. Loan and other similar arrangements with subsidiaries which are probable to be settled for a fixed number of equity share of the borrower for a fixed price are classified as equity investment. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

52 FAIR VALUE MEASUREMENT (Contd.)

Investment in government securities at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt and borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate from market-observable data such as secondary prices for its traded debt.

Deposits

The fair value of public deposits and deposit from corporates is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for deposits of similar tenure and scheme (cumulative/non-cumulative). Inter-corporate deposits are estimated at their carrying amounts due to the short-term maturities of these deposits.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on the carrying amounts due to the short-term maturities of these positions.

53 RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

53.01: Introduction and risk profile

53.01.01: Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk owners within each department will report to the Risk Committee.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

53.01.02: Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

53.01.03: Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure

53 RISK MANAGEMENT (Contd.)

across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department.

The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

53.01.04: Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

53.02: Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due(dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

53.02.01: Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

53.02.02: Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 53.02.02.01).

- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 53.02.02.02 to 53.02.02.04)
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 53.02.02.05)
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 53.02.02.06)
- The details of the ECL calculations for stage 1, stage 2 and stage 3 assets (Note 6.1.xi)

53 RISK MANAGEMENT (Contd.)

53.02.02.01: Definition of default

The Company considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.

53.02.02.02: PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

53.02.02.03: Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For stage 2 and stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

53.02.02.04: Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

53.02.02.05: Significant increase in credit risk(SICR)

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers' ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 53.02.02.01 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 53.02.02.06), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

53 RISK MANAGEMENT (Contd.)

53.02.02.06: Forward looking information

The Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note 63 for impact of COVID-19 on estimate of PD, LGD and SICR.

53.02.02.07: Grouping financial assets measured on a collective basis

As explained in Note 6.1.(xi) dependent on the factors below, the Company calculates ECLs only on a collective basis.

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. New vehicle finance
2. Pre owned vehicle finance
3. Business Loans

53.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2021 was Rs. 52.22 crores (March 31, 2020: Rs. 51.01 crores).

Credit risk exposure analysis

(Rs. in crores)

Particulars	As at March 31, 2021			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Credit risk exposure	93,915.66	13,983.12	8,292.81	**116,191.59**

53.03: Liquidity risk and funding management

In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings. Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company in line with the Company's budget and decided risk management objectives. The ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the company. The ALCO will be responsible for ensuring the adherence to the target set by the Board of Directors. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its ratification.

53 RISK MANAGEMENT (Contd.)

53.03.01: Analysis of financial assets and liabilities by remaining maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2021:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	11,050.93	-	-	-	-	-	**11,050.93**
Bank balance other than above	2,250.28	1,543.15	1,093.35	450.85	53.26	-	**5,390.89**
Derivative assets	-	-	100.51	38.26	-	30.48	**169.25**
Financial assets at fair value through profit and loss	-	-	-	-	-	8.28	**8.28**
Loans *	13,358.17	15,198.43	24,695.47	66,062.15	18,404.12	3,131.92	**140,850.26**
Financial investments at amortised cost	153.19	134.26	235.76	832.05	169.15	1,689.80	**3,214.21**
Trade receivables	8.92	-	-	-	-	-	**8.92**
Other receivables	49.90	-	-	-	-	-	**49.90**
Other financial assets	2.07	-	-	-	-	46.96	**49.03**
Total discounted financial assets	**26,873.46**	**16,875.84**	**26,125.09**	**67,383.31**	**18,626.53**	**4,907.44**	**160,791.67**
Financial liabilities							
Deposits *	920.83	1,541.32	3,817.22	9,090.96	3,814.50	-	**19,184.83**
Debt securities *	3,433.09	4,954.30	5,893.54	24,240.95	3,320.04	5,428.64	**47,270.56**
Borrowings (other than debt securities) *	6,348.78	5,469.99	11,980.12	23,455.05	4,790.82	365.83	**52,410.59**
Subordinated liabilities *	86.83	86.23	341.79	1,493.08	2,828.52	1,880.28	**6,716.73**
Trade payables	181.16	7.26	67.09	-	-	-	**255.51**
Other payables	0.91	-	-	-	-	-	**0.91**
Lease liabilities	18.76	18.33	37.20	125.71	74.56	74.93	**349.49**
Other financial liabilities	813.59	0.76	15.15	99.85	30.91	4.09	**964.35**
Total discounted financial liabilities	**11,803.95**	**12,078.19**	**22,152.11**	**58,505.60**	**14,859.35**	**7,753.77**	**127,152.97**
Net discounted financial assets/ (liabilities)	**15,069.51**	**4,797.65**	**3,972.98**	**8,877.71**	**3,767.18**	**(2,846.33)**	**33,638.70**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2020:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	3,088.99	-	-	-	-	-	**3,088.99**
Bank balance other than above	2,480.60	934.41	789.14	21.78	-	-	**4,225.93**
Derivative assets	758.73	-	-	-	-	-	**758.73**
Financial assets at fair value through profit and loss	-	-	-	-	-	7.42	**7.42**
Loans *	6,915.77	14,216.43	23,589.62	64,954.52	25,558.69	1,634.19	**136,869.22**
Financial investments at amortised cost	80.29	101.63	179.55	519.43	364.27	1,574.75	**2,819.92**
Trade receivables	10.50	-	-	-	-	-	**10.50**
Other receivables	5.64	-	-	-	-	-	**5.64**
Other financial assets	-	-	-	-	-	38.70	**38.70**
Total discounted financial assets	**13,340.52**	**15,252.47**	**24,558.31**	**65,495.73**	**25,922.96**	**3,255.06**	**147,825.05**
Financial liabilities							
Deposits *	768.95	954.94	1,704.67	8,155.32	2,701.97	-	**14,285.85**
Debt securities *	1,506.34	1,740.07	3,943.97	22,256.44	9,096.87	1,532.02	**40,075.71**
Borrowings (other than debt securities) *	3,191.71	5,818.22	10,169.69	20,844.94	7,639.45	581.01	**48,245.02**
Subordinated liabilities *	929.67	326.89	325.03	1,283.78	3,324.54	2,122.82	**8,312.73**
Trade payables	143.84	-	-	-	-	-	**143.84**
Other payables	1.13	-	-	-	-	-	**1.13**
Lease liabilities	24.31	20.24	36.42	135.90	83.79	62.15	**362.81**
Other financial liabilities	581.20	147.66	58.96	81.48	41.92	1.10	**912.32**
Total discounted financial liabilities	**7,147.15**	**9,008.02**	**16,238.74**	**52,757.86**	**22,888.54**	**4,299.10**	**112,339.41**
Net discounted financial assets/ (liabilities)	**6,193.37**	**6,244.45**	**8,319.57**	**12,737.87**	**3,034.42**	**(1,044.04)**	**35,485.64**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

The table below shows the expiry by maturity of the Company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2021							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	133.64	**133.64**
VAT demand where the Company has filed appeal before various appellates	-	-	-	-	-	117.21	**117.21**
Service tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	1,976.41	**1,976.41**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	3.53	-	-	-	-	-	**3.53**
Commitments related to loans sanctioned but undrawn	148.66	-	-	-	-	-	**148.66**
Total commitments	**152.19**	-	-	-	-	**2,232.26**	**2,384.45**
As at March 31, 2020							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	133.64	**133.64**
VAT demand where the Company has filed appeal before various appellates	-	-	-	-	-	117.21	**117.21**
Service tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	325.99	**325.99**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	4.15	-	-	-	-	-	4.15
Commitments related to loans sanctioned but undrawn	311.87	-	-	-	-	-	311.87
Total commitments	**316.02**	-	-	-	-	**581.84**	**897.86**

53 RISK MANAGEMENT (Contd.)

53.04: Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks such as Bank Marginal Cost of Funds based Lending Rate (MCLR) or London Inter-bank Offered Rate (LIBOR) and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The Company hedges interest rate risks of foreign currency borrowings through derivative transactions. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2021 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	5,776.24	572.78	(644.49)
Term loans	9,723.08	707.21	(665.36)
Total floating rate borrowings	**15,499.32**	**1,279.99**	**(1,309.85)**

As at March 31, 2020 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	175.00	8.48	(9.01)
Term loans	9,941.92	640.63	(875.54)
Total floating rate borrowings	**10,116.92**	**649.11**	**(884.55)**

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Inter-bank Offered Rate (IBOR) reform

Following the decision by global regulators to phase out Inter-bank Offered Rate (IBORs) and replace them with alternative reference rates, the Company is closely monitoring the global and local developments in respect of the IBOR transition and is in the process of establishing a project to manage the transition of its contracts.

The table below shows the Company's exposure at the year end to significant IBORs subject to reform that have yet to transition to alternative Risk Free Rates (RFRs). These exposures will remain outstanding until the IBOR ceases and will therefore transition in future and the table excludes exposures to IBOR that will expire before transition is required. The derivative hedging instruments provide a close approximation to the extent of the risk exposure the Company manages through hedging relationships.

(Rs. in crores)

Particulars	As at March 31, 2021		
	Rate of interest	Notional Amounts	Maturity date
(i) Currency derivatives:			
- Spots and forwards	3 months LIBOR + 1.95%	22.19	June 10, 2022 to August 10, 2023
- Cross currency interest rate swaps	3 months LIBOR + 1.95%	2,402.33	August 10, 2023
- Cross currency interest rate swaps	6 months EURIBOR + 1.15%	837.69	April 25, 2026
- Cross currency interest rate swaps	6 months LIBOR + 2.50%	147.00	December 11, 2026
(ii) Interest rate derivatives:			
- Interest rate caps	6 months EURIBOR + 1.15%	-	April 25, 2026
TOTAL		**3,409.21**	

53 RISK MANAGEMENT (Contd.)

Foreign Currency risk

Foreign Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency fluctuation risk for its foreign currency borrowing. The Company's borrowings in foreign currency are governed by RBI Master Direction External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (as and when updated) which requires entities raising External Commercial Borrowings (ECB) for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure. The Company hedges its entire ECB and external commercial bond exposure as per Board approved hedging policy and resource mobilisation policy. The Company manages foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company holds derivative financial instruments such as Cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The Counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place. Refer Note 22 B and 23 C, respectively for terms and conditions of external commercial bonds and external commercial borrowings.

Exposure to currency risk:

The summary quantitative data about exposure to Currency risk (based on Notional amounts) as reported :

(Amount in crores)

Particulars	As at March 31, 2021			
	Contracts in EURO		Contracts in USD	
	EURO	INR	USD	INR
Total foreign currency exposure in respect of recognised assets and liabilities	10.58	837.69	479.50	35,593.99
Cross currency Interest rate swap /Forward exchange contracts	10.58	837.69	479.50	35,593.99
Net Exposure	-	-	-	-

Movement in Cash flow hedge reserve

(Rs. in crores)

Cash flow hedge reserve	As at March 31, 2021		
	Realised	Unrealised	Total
Balance at the beginning of the year	-	-	-
Add: Changes in the Fair Value during the year	-	(124.31)	**(124.31)**
Less: Income tax relating to items that will be reclassified to profit or loss	-	31.29	**31.29**
Less: Amounts reclassified to Statement of profit and loss	-	-	-
Balance at the end of the year	-	**(93.02)**	**(93.02)**

Nature and terms and conditions of outstanding derivative contract

(Rs. in crores)

Particulars	As at March 31, 2021			
	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets
(i) Currency derivatives:				
- Spots and forwards	3 months LIBOR + 1.95%	June 10, 2021 to August 10, 2023	37.05	(0.30)
- Spots and forwards	4.15% to 5.95%	June 15, 2021 to June 15, 2027	13,789.85	79.67
- Currency swaps	4.40% to 5.10%	July 14, 2023 to March 13, 2024	2,320.38	(103.23)
- Cross currency interest rate swaps	3 months LIBOR + 1.95%	10-Aug-2023	2,402.33	32.81

53 RISK MANAGEMENT (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2021			
	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets
- Cross currency interest rate swaps	6 months EURIBOR + 1.15%	25-Apr-2026	837.69	49.24
- Cross currency interest rate swaps	6 months LIBOR + 2.50%	11-Dec-2026	147.00	(1.76)
- Cross currency interest rate swaps	5.70%	28-Feb-2022	2,849.90	101.25
(ii) Interest rate derivatives:				
- Interest rate swaps	4.40% to 5.95%	October 24, 2022 to March 13, 2024	14,047.48	9.72
- Interest rate caps	6 months EURIBOR + 1.15%	April 26, 2021 to 25 April 2026	-	1.85
TOTAL			**36,431.68**	**169.25**

Price -risk

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In such cases, ineffectiveness may arise if:

(a) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

(b) differences arise between the credit risk inherent within the hedged item and the hedging instrument.

There were no ineffectiveness recognised in the statement of profit and loss during March 31, 2021.

There were no other sources of ineffectiveness in these hedge relationships.

54 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount remaining unpaid to supplier as at the end of the year	0.37	0.40
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

55 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER LEGAL AND PROFESSIONAL FEES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of senior secured notes of Rs. 0.34 crores (March 31, 2020: Rs. 0.83 crores) shown under Legal and professional fees in note 42 Other expenses.

56 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER FINANCE COST

In addition to the auditors remuneration shown under note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with public issue of non-convertible debentures of Rs. Nil (March 31, 2020: Rs.0.36 crores) amortised portion of which is included in note 37 Finance Costs under interest on debentures and unamortised portion of which is included in note 22 Debt securities under Redeemable non-convertible debentures - Secured -Public issue.

57 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER RIGHT ISSUE EXPENSES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of Right Shares of Rs. 0.27 crores (March 31, 2020: Rs. Nil) netted off against Securities premium under Other equity in note 31 Other equity.

58 SEGMENT REPORTING

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

59 TRANSFER OF FINANCIAL ASSETS

Note 59.01: Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Securitisation		
Carrying amount of transferred assets measured at amortised cost (held as collateral)	23,687.13	21,612.72
Carrying amount of associated liabilities (Borrowings (other than debt securities)- measured at amortised cost)	23,403.60	21,452.04
Fair value of assets	25,124.28	20,054.22
Fair value of associated liabilities	27,825.65	20,358.45
Net position at fair value	**(2,701.37)**	**(304.23)**

Note 59.02: Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	1,300.31	1,427.81
Carrying amount of exposures retained by the Company at amortised cost	130.03	142.78

Note 59.03: Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

60 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Resource mobilisation	23.03	148.09
Membership fees	-	0.00
Total	**23.03**	**148.09**

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

Remittances in foreign currencies

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Right issue expenses	0.26	-
Total	**0.26**	**-**

61 DETAILS OF CSR EXPENSES

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Gross amount required to be spent by the Company during the year	62.91	52.82
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	64.96	53.16
Yet to be paid in cash	-	-
Total	**64.96**	**53.16**

62 MOVEMENT IN PROVISIONS

(Rs. in crores)

Particulars	As at March 31, 2020	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2021
Provision for taxes- contested	92.75	-	-	92.75

(Rs. in crores)

Particulars	As at April 01, 2019	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2020
Provision for taxes- contested	92.75	-	-	92.75

The above provisions relate to disputed tax demands in relation to VAT and Service tax. Due to the very nature of such provisions and the litigations involved, it is not possible to estimate the timing/ uncertainties relating to their outflows.

63 NOTE ON COVID

The Company had granted moratorium upto six months on the payment of installments falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package' and RBI guidelines on EMI moratorium dated April 17, 2020. Further, period for which moratorium was granted had not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI and DPD freeze for such period by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Company continued to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The COVID -19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Company's business operations. The Company has considered an additional Expected Credit Loss (ECL) provision on Loans of Rs. 1,681.84 crores on account of COVID – 19 during the year ended March 31, 2021. As at March 31, 2021, additional ECL provision on Loan Assets as management overlay on account of COVID - 19 stood at Rs. 2,591.48 crores. The additional ECL provision on account of COVID – 19 is based on the Company's historical experience, collection efficiencies post completion of Moratorium period, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

64 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date.

65 FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 2,003.76 crores (March 31, 2020: Rs. 1,758.76 crores) in favour of trustees representing the public deposit holders of the Company.

66

During the year ended March 31, 2021, the Company has invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 for the year ended March 31, 2021

(Rs. in crores)

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal Loans #	21,460	481.05	-	70.18	39.50
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**21,460**	**481.05**	**-**	**70.18**	**39.50**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

pertains to automobile loans

The above increase in provisions of Rs. 39.50 crores on account of the implementation of the resolution plan is as per Ind AS.

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP.BC/4/21.04.048/2020-21 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" having exposure less than or equal to Rs. 25 crores for the year ended March 31, 2021:

(Rs. in crores)

No. of accounts restructured	Amount
1,275	32.39

67 Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr.) vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 in accordance with Note No.63 and provision had been made accordingly. The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection, the Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

68 The Company had credited an ex-gratia amount of Rs. 231.28 crores for the payment of difference between the compound interest and simple interest to the accounts of borrowers in specified loan accounts between March 1, 2020 and August 31, 2020 as per the eligibility criteria and other features as mentioned in the notification dated October 23, 2020 issued by Government of India, Ministry of Finance, Department of Financial Services. The Company had filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification and same was received on March 31, 2021.

69 In accordance with the instructions in aforementioned RBI circular dated April 07, 2021, and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021, the Company has put in place a Board approved policy to refund/ adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to the eligible borrowers under the abovementioned circular and advisory. The Company has estimated the benefit to be extended to the eligible borrowers at Rs. 36.54 crores and created a liability / credited the Borrower's account towards the estimated interest relief and reduced the same from the interest income.

70 The Company manages its foreign currency risks through foreign exchange forward contracts and interest rate swaps. Till March 31, 2020, the Company was following derivative accounting where changes in fair value were recognised in the statement of profit and loss. Effective April 01, 2020, the Company has adopted hedge accounting. Had the Company not followed hedge accounting, profit before tax for the year ended March 31, 2021 would have been lower by Rs. 124.31 crores and other comprehensive income for the year ended March 31, 2021 would have been higher by Rs. 124.31 crores respectively.

71 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

72 DISCLOSURE OF RESTRUCTURED ACCOUNTS

(Rs. in crores)

Sr. No.	Type of restructuring		Others									
	Financial year		Year ended March 31, 2021					Year ended March 31, 2020				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	**Restructured accounts as on April 1**	**No. of borrowers**	**6,163**	**15,660**	**2,508**	**576**	**24,907**	**8,514**	**8,741**	**5,180**	**97**	**22,532**
		Amount outstanding	**229.66**	**693.72**	**269.97**	**39.53**	**1,232.88**	**228.00**	**535.06**	**271.81**	**4.37**	**1,039.24**
		Provision thereon	**19.68**	**238.22**	**92.97**	**12.91**	**363.78**	**39.91**	**182.45**	**83.26**	**1.24**	**306.86**
2	Fresh restructuring during the year	No. of borrowers	-	20,796	541	67	**21,404**	-	16,497	-	-	**16,497**
		Amount outstanding	-	756.37	45.67	6.13	**808.17**	-	756.20	-	-	**756.20**
		Provision thereon	-	321.10	19.31	2.59	**343.00**	-	254.33	-	-	**254.33**
3	Upgradation	No. of borrowers	8,626	(8,136)	(391)	(99)	-	7,006	(5,167)	(1,838)	(1)	-
		Amount outstanding	327.92	(294.90)	(26.60)	(6.42)	-	315.26	(225.21)	(90.05)	-	-
		Provision thereon	108.48	(96.89)	(9.33)	(2.26)	-	103.25	(75.12)	(28.13)	-	-
4	Restructured standard advances which cease to attract higher provisioning and/ or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	(4,563)	-	-	-	**(4,563)**	(8,514)	-	-	-	**(8,514)**
		Amount outstanding	(184.32)	-	-	-	**(184.32)**	(228.00)	-	-	-	**(228.00)**
		Provision thereon	(13.67)	-	-	-	**(13.67)**	(39.90)	-	-	-	**(39.90)**
5	Downgradation of restructured accounts during the year	No. of borrowers	-	(3,148)	2,735	413	-	-	(2,365)	1,805	560	-
		Amount outstanding	-	(244.77)	194.27	50.50	-	-	(250.36)	211.55	38.81	-
		Provision thereon	-	(83.85)	66.76	17.09	-	-	(88.14)	75.64	12.50	-
6	Write-offs of restructured accounts during the year	No. of borrowers	(1,600)	(3,943)	(876)	(194)	**(6,613)**	(843)	(2,046)	(2,639)	(80)	**(5,608)**
		Amount outstanding	(101.76)	(142.54)	(57.44)	(7.88)	**(309.62)**	(85.60)	(121.97)	(123.34)	(3.65)	**(334.56)**
		Provision thereon	(71.09)	(48.59)	3.70	1.29	**(114.69)**	(83.58)	(35.30)	(37.80)	(0.83)	**(157.51)**
7	**Restructured accounts as on March 31**	**No. of borrowers**	**8,626**	**21,229**	**4,517**	**763**	**35,135**	**6,163**	**15,660**	**2,508**	**576**	**24,907**
		Amount outstanding	**271.50**	**767.88**	**425.87**	**81.86**	**1,547.11**	**229.66**	**693.72**	**269.97**	**39.53**	**1,232.88**
		Provision thereon	**43.40**	**329.99**	**173.41**	**31.62**	**578.42**	**19.68**	**238.22**	**92.97**	**12.91**	**363.78**

Note:

i. The outstanding amount and number of borrowers as at March 31, 2021 and March 31, 2020 is after considering recoveries during the year.

ii. Additional facilities availed by borrowers or addition in outstanding balance in existing restructured accounts and partial repayments in existing restructured accounts are adjusted and disclosed under "Write-offs of restructured accounts", however, for the purpose of arithmetical accuracy the number of existing borrowers availing additional facility or partial repayments have been ignored.

iii. The Company has classified all the restructured accounts under stage 3 for ECL Calculations under Ind AS and Provision for Impairment Loss on all the restructured accounts have been provided in the books accordingly.

iv. Since the disclosure of restructured accounts pertains to section "Others", the first two sections namely "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per the format prescribed in the Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit Taking Company (Reserve Bank) Directions 2016 as amended are not included above.

v. For the purpose of arithmetical accuracy, movement in provisions in the existing restructured account as compared to balance of provision as disclosed in opening balance and fresh restructuring on account sale/recovery/settlement (for any change in provision) is adjusted and disclosed under "Write-offs of restructured accounts" during the year.

vi. The above disclosure does not include one-time restructuring implemented as prescribed in the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 Resolution Framework for COVID-19-related Stress.

73 LIQUIDITY COVERAGE RATIO DISCLOSURE

Disclosure as per the circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 issued by Reserve Bank of India on "Liquidity Coverage Ratio (LCR)"

Liquidity Coverage Ratio (LCR) for the quarter ended March 31, 2021

LCR Disclosure Template (Appendix I)

(Rs. in crores)

	Particulars	March 31, 2021		December 31, 2020##	
		Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)	6,678.54	6,285.05	3,577.95	3,215.06
Cash Outflows					
2	Deposits (for deposit taking companies)	380.69	437.80	359.45	413.37
3	Unsecured wholesale funding	101.72	116.98	96.41	110.87
4	Secured wholesale funding	3,307.37	3,803.47	2,460.58	2,829.66
5	Additional requirements, of which	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-
6	Other contractual funding obligations	583.14	670.61	542.64	624.03
7	Other contingent funding obligations	153.43	176.45	168.72	194.03
8	**TOTAL CASH OUTFLOWS**	**4,526.35**	**5,205.31**	**3,627.80**	**4,171.96**
Cash Inflows					
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	3,978.22	2,983.67	3,910.90	2,933.18
11	Other cash inflows	2,731.08	2,048.31	738.29	553.72
12	**TOTAL CASH INFLOWS**	**6,709.30**	**5,031.98**	**4,649.19**	**3,486.90**
			Total Adjusted Value		Total Adjusted Value
13	TOTAL HQLA		6,285.05		3,215.06
14	TOTAL NET CASH OUTFLOWS		1,301.33		1,042.99
15	LIQUIDITY COVERAGE RATIO (%)		482.97%		308.25%

*Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

The figures pertaining to December 31, 2020 are unaudited and are as represented by the management, which have been relied upon by the auditors.

Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI, which has been relied upon by the auditors.

The figures as at January 31, 2021 and February 28, 2021 used in the computation of Total High Quality Liquid Assets (HQLA) are as represented by the management, which have been relied upon by the auditors.

73 LIQUIDITY COVERAGE RATIO DISCLOSURE (Contd.)

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All non-deposit taking NBFCs with asset size of Rs.10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching a level upto 60%, 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively.

Liquidity Coverage Ratio (LCR) ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator.

The average LCR is computed at as simple averages of monthly observations over the previous quarter (ie. average of three months ie. January 2021, February 2021 and March 2021 for the quarter ended March 31, 2021 and average of three months ie. October 2020, November 2020 and December 2020 for the quarter ended December 31, 2020)

The Company, during the quarter ended March 31, 2021, had maintained average HQLA (after haircut) of Rs. 6,285.05 crores against Rs. 3,215.06 crores for the quarter ended December 31, 2020. HQLA primarily includes cash on hand, bank balances in current account and demand deposits with Scheduled Commercial Banks, CBLO investment and Government securities (such unencumbered approved securities held as per the provisions of section 45 IB of RBI Act, is reckoned as HQLA only to the extent of 80% of the required holding).

The Company has implemented the LCR framework and has maintained LCR well above the regulatory threshold. The average LCR for the quarter ended March 31, 2021 was 482.97% which is above the regulatory requirement of 50%. For the quarter ended December 31, 2020 average LCR was stood at 308.25% .

74 ASSET CLASSIFICATION AS PER RBI NORMS

Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020 pertaining to Asset classification as per RBI Norms:

(Rs. in crores)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	For the year ended March 31, 2021					For the year ended March 31, 2020				
		Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
Performing assets											
Standard	Stage 1	93,915.66	3,046.35	90,869.31	382.15	**2,664.20**	87,064.97	2,156.05	84,908.92	1,495.05	**661.00**
	Stage 2	13,983.12	1,356.07	12,627.05	111.52	**1,244.55**	12,259.66	928.08	11,331.58	997.81	**(69.73)**
Subtotal		**107,898.78**	**4,402.42**	**103,496.36**	**493.67**	**3,908.75**	**99,324.63**	**3,084.13**	**96,240.50**	**2,492.86**	**591.27**
Non-Performing Assets (NPA)											
Substandard	Stage 3	5,249.54	2,247.21	3,002.33	514.44	**1,732.77**	6,043.64	2,118.64	3,925.00	588.01	**1,530.63**
Doubtful - up to 1 year	Stage 3	1,460.22	607.31	852.91	539.43	**67.88**	631.93	212.40	419.53	189.79	**22.61**
1 to 3 years	Stage 3	385.78	154.63	231.15	194.19	**(39.56)**	230.05	73.17	156.88	117.30	**(44.13)**
More than 3 years	Stage 3	-	-	-	-	-	-	-	-	-	-
Subtotal for doubtful		**1,846.00**	**761.94**	**1,084.06**	**733.62**	**28.32**	**861.98**	**285.57**	**576.41**	**307.09**	**(21.52)**
Loss	Stage 3	1,197.27	476.98	720.29	1,051.73	**(574.75)**	2,271.46	781.74	1,489.72	2,135.16	**(1,353.42)**
Subtotal for NPA		**8,292.81**	**3,486.13**	**4,806.68**	**2,299.79**	**1,186.34**	**9,177.08**	**3,185.95**	**5,991.13**	**3,030.26**	**155.69**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,301.27	48.71	1,252.56	-	**48.71**	1,254.66	40.78	1,213.88	-	**40.78**
	Stage 2	-	-	-	-	-	52.67	18.43	34.24	-	**18.43**
	Stage 3	2.39	2.39	-	-	**2.39**	2.63	2.70	(0.07)	-	**2.70**
Subtotal		**1,303.66**	**51.10**	**1,252.56**	**-**	**51.10**	**1,309.96**	**61.91**	**1,248.05**	**-**	**61.91**
Total	**Stage 1**	**95,216.93**	**3,095.06**	**92,121.87**	**382.15**	**2,712.91**	**88,319.63**	**2,196.83**	**86,122.80**	**1,495.05**	**701.78**
	Stage 2	**13,983.12**	**1,356.07**	**12,627.05**	**111.52**	**1,244.55**	**12,312.33**	**946.51**	**11,365.82**	**997.81**	**(51.30)**
	Stage 3	**8,295.20**	**3,488.52**	**4,806.68**	**2,299.79**	**1,188.73**	**9,179.71**	**3,188.65**	**5,991.06**	**3,030.26**	**158.39**
	Total	**117,495.25**	**7,939.65**	**109,555.60**	**2,793.46**	**5,146.19**	**109,811.67**	**6,331.99**	**103,479.68**	**5,523.12**	**808.87**

75 ASSET CLASSIFICATION AND PROVISIONING DISCLOSURE

Disclosure as per the circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by Reserve Bank of India on "COVID 19 regulatory package - Asset Classification and provisioning"

For the year ended March 31, 2021

(Rs. in crores)

Particulars	As of March 31, 2021
i. Amounts in SMA/overdue categories where moratorium/deferment was extended *	28,657.67
ii. Respective amount where asset classification benefit is extended	Nil **
iii. Provisions made during quarter in terms of paragraph 5 of the above circular ***	Nil
iv. Provisions adjusted against the respective accounting periods for slippages and residual provisions in terms of paragraph 6 of the above circular	Not applicable

* Outstanding as on March 31, 2021 on account of SMA categories cases where moratorium benefit is extended by the Company up to August 31, 2020.

** There are nil accounts as on March 31, 2021 where the asset classification benefit is extended for cases which were entitled to a moratorium until August 31, 2020, as the asset classification is based on the actual performance of the account post moratorium.

*** The Company had made adequate provision for impairment loss under ECL model for the year ended March 31, 2021. Further, the Company has considered the additional provisions for the computation under IRAC Norms as required under RBI Circular dated March 13, 2020.

76 LIQUIDITY RISK

Disclosure on Liquidity risk for the quarter ended March 31, 2021 pursuant to RBI circular dated November 04, 2019 on Liquidity risk management framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

(Rs. in crores)

Sr. No.	Number of significant counterparties	Amount *	% of Total deposits	% of Total liabilities
1	15	41,422.30	255.18%	38.31%

*Includes securitisation liabilities exposure

(ii) Top 20 large deposits

(Rs. in crores)

Particulars	As at March 31, 2021
Total amount of top 20 large deposits	960.78
Percentage of amount of top 20 large deposits to total deposits	5.92%

(iii) Top 10 borrowings

(Rs. in crores)

Particulars	As at March 31, 2021
Total amount of top 10 borrowings *	33,619.61
Percentage of amount of top 10 borrowings to total borrowings	31.66%

*Includes securitisation liabilities exposure

76 LIQUIDITY RISK (Contd.)

(iv) Funding concentration based on significant instrument/product

(Rs. in crores)

Sr. No.	Name of the instrument/product	Amount	% of Total liabilities
1	Redeemable non-convertible debentures (secured and unsecured)	21,393.97	19.79%
2	External commercial bond	17,779.55	16.45%
3	Senior secured notes	888.35	0.82%
4	Term loan from banks	13,304.70	12.31%
5	Term loan from financial institutions/corporates	3,783.20	3.50%
6	External commercial borrowing	4,122.49	3.81%
7	Loans repayable on demand from banks (Cash credit from banks)	667.38	0.62%
8	Other loans - Securitisation liabilities	23,403.60	21.65%
9	Public deposits	15,790.71	14.61%
10	Subordinated debts	4,620.76	4.27%

(v) Stock ratios:

Particulars	as a % of Total public funds	as a % of Total liabilities	as a % of Total assets
(a) Commercial papers	-	-	-
(b) Non-convertible debentures (original maturity of less than one year)	-	-	-
(c) Other short-term liabilities	4.27%	4.19%	3.49%

(vi) Institutional set-up for liquidity risk management

Refer note 53.01.01: Risk management structure and 53.03: Liquidity risk and funding management for institutional set-up for liquidity risk management.

***Notes:**

1) Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
2) Significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
3) Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).
4) Public funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.
5) The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2021.

Additional disclosures required by the Reserve Bank of India (RBI)

The additional disclosures required by RBI are prepared under Indian Accounting Standards (Ind AS) issued by MCA unless otherwise stated.

77 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Instruments	Credit rating agency	As on March 31, 2021	As on March 31, 2020
Bank Loan Long-term	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
Bank Loan Short-term	CRISIL	CRISIL A1+	CRISIL A1+
Commercial Paper	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND A1+	IND A1+
Commercial Paper	CARE	CARE A1+	CARE A1+
Fixed deposit	CRISIL	CRISIL FAAA/ Stable	CRISIL FAAA/Stable
Long Term Principal Protected Market Linked Debentures	CRISIL	CRISIL PP-MLD AA+r/ Stable	CRISIL PP-MLD AA+r/Stable
Structured Non-Convertible Debentures	India Ratings & Research Private Limited (Formerly known as "FITCH")	Provisional IND AAA (CE)/Stable	Provisional IND AAA(CE)/Stable
Fixed deposit	ICRA	MAA+ with Stable outlook	MAA+ with Stable outlook
Long-Term Issuer Credit Rating	Standard & Poor's Ratings	BB-/ Stable	BB+/Negative Outlook
Long-Term Issuer Default Rating	Fitch Ratings	BB/ Negative Outlook	BB/RWN*
Non-convertible debentures	CARE	CARE AA+/Stable	CARE AA+/Stable
Non-convertible debentures	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
Non-convertible debentures	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND AA+/Stable	IND AA+/Stable Outlook
Offshore Rupee Denominated Bond (Masala Bond)	Standard & Poor's Ratings	BB-	BB+
U.S. Dollar Senior Secured Notes	Standard & Poor's Ratings	BB-	BB+
Offshore Rupee Denominated Bond (Masala Bond)	Fitch Ratings	BB	BB
U.S. Dollar Senior Secured Notes	Fitch Ratings	BB	BB
Short term debt	CRISIL	CRISIL A1+	CRISIL A1+
Short-Term Issuer Credit Rating	Standard & Poor's Ratings	B	B
Short-Term Issuer Default Rating	Fitch Ratings	B	B
Subordinated debt	CARE	CARE AA+/Stable	CARE AA+/Stable
Subordinated debt	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND AA+/Stable	IND AA+/Stable
Subordinated debt	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
Local Currency Long Term Issuer Default Rating	Fitch Ratings	BB/ Negative Outlook	
Non-convertible debentures	ICRA	Provisional [ICRA] AAA (CE) (Stable)	
Principal Protected Market Linked Debentures (Dual Recourse)	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND PP-MLD AAA(CE) emr'/ Stable	
Dual Recourse Bond	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND AAA (CE)/Stable	

* RWN : Rating Watch Negative

78 CAPITAL ADEQUACY RATIO

(Rs. in crores unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
i) Tier I Capital	18,878.91	16,261.85
ii) Tier II Capital	2,426.58	3,462.39
iii) Total Capital	21,305.49	19,724.24
iv) Total Risk Weighted Assets	94,657.78	89,674.92
v) CRAR (%)	22.50	21.99
vi) CRAR - Tier I capital (%)	19.94	18.13
vii) CRAR - Tier II capital (%)	2.56	3.86
viii) Amount of subordinated debt raised as Tier-II capital*	4,726.10	5,591.73
ix) Amount raised by issue of Perpetual debt instruments	-	-

Capital adequacy ratio is calculated as per RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

"Tier I capital", "Tier II capital", "Owned fund" are calculated as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

* Note:

Discounted value of Rs. 3,283.04 crores (March 31, 2020: Rs. 4,046.46 crores) considered for Tier II capital against the book value of Rs. 4,726.10 crores (March 31, 2020: Rs. 5,591.73 crores).

79 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
(1) Value of investments		
(i) Gross value of investments		
(a) In India	3,235.86	2,840.71
(b) Outside India,	-	-
(ii) Provisions for depreciation		
(a) In India	38.01	42.23
(b) Outside India,	-	-
(iii) Net value of investments		
(a) In India	3,197.85	2,798.48
(b) Outside India,	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	42.23	0.01
(ii) Add : Provisions made during the year	14.22	42.22
(iii) Less : Write-off/write-back of excess provisions during the year	18.44	-
(iv) Closing balance	38.01	42.23

80 DERIVATIVES

80.01: Forward rate agreement/Interest rate swap

(Rs. in crores)

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	The notional principal of swap agreements	36,431.68	24,921.80
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swap	-	-
(v)	The fair value of the swap book	169.25	758.73

80.02: Exchange traded interest rate (IR) derivatives : Nil

80.03: Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

The Company has entered into derivative agreement to mitigate the foreign exchange risk and interest rate risk pertaining to external commercial borrowings and foreign currency bonds. The description of risk policies and risk mitigation strategies are disclosed in note 53 of the financial statements.

Quantitative Disclosures

(Rs. in crores)

Particulars		As at March 31, 2021		As at March 31, 2020	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i)	Derivatives (Notional principal amount)				
	For hedging	22,384.20	14,047.48	16,177.17	8,744.63
(ii)	Marked to market positions				
	a) Asset (+)	157.68	11.57	709.05	49.68
	b) Liability (-)	-	-	-	-
(iii)	Credit exposure	-	-	-	-
(iv)	Unhedged exposures	-	-	-	-

81 DISCLOSURES RELATING TO SECURITISATION

81.01: Outstanding amount of securitised/assigned assets as per books of the SPVs sponsored

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

(Rs. in crores)

Sr. No.		Particulars	As at March 31, 2021	As at March 31, 2020
1		No of SPVs sponsored by the NBFC for securitisation transactions (in No.)	84	72
2		Total amount of securitised assets as per books of the SPVs sponsored	23,754.07	20,487.93
3		Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet		
	(a)	Off-Balance Sheet exposures		
		First loss	132.30	35.08
		Others	-	-
	(b)	On-Balance Sheet exposures		
		First loss	2,652.30	2,171.17
		Others	1,155.87	942.79
4		Amount of exposures to securitisation transactions other than MRR		
	(a)	Off-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Loss	726.77	651.41
		(ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Others	1,925.73	1,441.75
		(ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

(Rs. in crores)

Sr. No.		Particulars	As at March 31, 2021	As at March 31, 2020
1		No. of transactions assigned by the Company	4	3
2		Total amount outstanding	1,300.31	1,427.81
3		Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet		
	(a)	Off-Balance Sheet exposures		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		First loss		
		Others	130.03	142.78
4		Amount of exposures to assigned transaction other than MRR		
	(a)	Off-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Loss	-	-
		(ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Others	-	-
		(ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-

81 DISCLOSURES RELATING TO SECURITISATION (Contd.)

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium structure is given below:

(Rs. in crores)

Sr. No.	Particulars		As at March 31, 2021	As at March 31, 2020
1	No. of transactions assigned by the Company		-	-
2	Total amount outstanding		-	-
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet			
	(a)	Off-Balance Sheet exposures		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		First loss	-	-
		Others	-	-
4	Amount of exposures to assigned transaction other than MRR			
	(a)	Off-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Loss	-	-
		(ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Others	-	-
		(ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-

81.02: Details of financial assets sold to securitisation/reconstruction company for asset reconstruction

The Company has not sold any financial assets to securitisation/reconstruction company for asset reconstruction during the year ended March 31, 2021 and March 31, 2020.

81.03: Details of assignment transactions undertaken by the Company

(Rs. in crores)

	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
i)	No. of accounts	1	-
ii)	Aggregate value (net of provisions) of accounts sold	485.83	-
iii)	Aggregate consideration *	487.98	-
iv)	Additional consideration realized in respect of accounts transferred in earlier years	26.08	22.18
v)	Aggregate gain/loss over net book value	2.15	-
vi)	Consideration received including new financial asset obtained at fair value	546.83	-
vii)	Net gain on derecognition of financial instruments under amortised cost category	58.85	-

* Includes income on assignment transactions realised in respect of accounts transferred in previous year.

81.04: Details of non-performing financial assets purchased / sold by the Company

The Company has not purchased/sold non-performing assets for the year ended March 31, 2021 and March 31, 2020.

82 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2021

(Rs. in crores)

Particulars	Upto 0 - 7 days	Upto 8 - 14 days	Upto 15 - 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits *	154.48	45.49	160.57	205.06	311.49	1,357.74	3,317.24	7,689.84	3,047.65	-	**16,289.56**
Advances **	1,939.49	589.73	1,477.93	3,206.84	3,165.73	9,676.92	17,873.55	51,397.49	15,938.33	3,037.03	**108,303.04**
Investments	-	15.02	29.69	58.78	49.69	134.26	235.76	794.04	169.15	1,711.46	**3,197.85**
Borrowings ***	595.52	1,538.23	1,034.91	2,356.37	2,963.32	8,894.36	12,004.44	24,324.08	8,484.54	5,915.78	**68,111.55**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	246.67	-	22.09	228.76	2,991.55	17,562.32	535.03	315.62	**21,902.04**

As at March 31, 2020

(Rs. in crores)

Particulars	Upto 0 - 7 days	Upto 8 - 14 days	Upto 15 - 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits *	187.76	37.47	133.36	223.81	223.16	822.14	1,340.18	6,945.86	2,156.98	-	**12,070.72**
Advances ** #	35.14	5.00	16.24	668.02	2,133.62	8,688.79	16,740.50	49,917.57	22,576.28	1,450.47	**102,231.63**
Investments	-	-	32.37	41.38	6.54	101.63	179.55	519.43	340.48	1,577.10	**2,798.48**
Borrowings ***	213.27	304.45	880.40	709.36	2,460.27	6,374.02	11,680.97	28,621.82	11,382.49	2,916.38	**65,543.43**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	1,163.32	-	255.81	-	13.81	78.20	54.81	8,377.29	6,459.71	504.67	**16,907.62**

* includes deposits from corporates and unclaimed matured deposit.

** net of Impairment loss allowance.

*** excludes deposits which are shown separately and external commercial borrowings and external commercial bond which are shown separately under Foreign currency liabilities.

The Board of Directors of the Company have approved moratorium policy in their meeting held on June 10, 2020 for a further period of 3 months from June 2020 to August 2020 pursuant to the Reserve Bank of India Notification no. RBI/2019-20/244 DOR.No.BP.BC. 71/ 21.04.048/ 2019-20 dated May 23, 2020 to eligible borrowers. The same was in the process of being implemented. Consequently the effect of the further moratorium extended as mentioned above is not considered in the above ALM disclosure.

83 EXPOSURES

83.01: Exposure to real estate sector

The Company has no exposure to real estate sector.

83.02: Exposure to capital market

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	20.11	19.75
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	1.54	1.04
	Total exposure to capital market	**21.65**	**20.79**

83.03: Details of financing of parent company products

The Company does not have any Parent Company, hence not applicable.

83.04: Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

83.05: Unsecured advances

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

84 ADDITIONAL DISCLOSURES

84.01: Provisions and contingencies

(Rs. in crores)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2021	Year ended March 31, 2020
Provisions for depreciation on investment	-	-
Provision towards NPA#	1,298.89	1,680.91
Provision made towards income tax ##	790.75	936.83
Provision for Standard Assets ###	-	-
Other Provision and contingencies (with details)		
Provision towards impairment of financial instruments other than provision for stage 3 assets	1,819.51	1,113.97

Provision for stage 3 assets

Provision made towards income tax comprises of current tax, deferred tax and tax adjustment for earlier years.

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets.

84 ADDITIONAL DISCLOSURES (Contd.)

84.02: Draw down from reserves

The draw down from reserves was Rs. Nil.

84.03: Concentration of Deposits, Advances, Exposures and NPAs

84.03.01: Concentration of Deposits (for deposit taking NBFCs)

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total deposits of twenty largest depositors	730.74	723.28
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	4.60%	6.07%

84.03.02: Concentration of advances

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total advances to twenty largest borrowers *	323.47	345.11
Percentage of advances to twenty largest borrowers to total advances of the NBFC *	0.28%	0.32%

* Excludes retained interest on direct assignment Rs. 130.03 crores (March 31, 2020: Rs. 142.78 crores)

84.03.03: Concentration of exposures

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total exposure to twenty largest borrowers/customers *	323.47	347.76
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers *	0.28%	0.32%

* Excludes retained interest on direct assignment Rs. 130.03 crores (March 31, 2020: Rs. 142.78 crores)

84.03.04: Concentration of NPAs

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total exposure to top four NPA accounts**	137.21	132.36

** NPA accounts refer to stage 3 assets.

84.03.05: Sector-wise NPAs $

Sr. No.	Sector	As at March 31, 2021 Percentage of NPAs to Total Advances in that sector	As at March 31, 2020 Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans #	6.33%	7.68%
7	Others #	20.41%	17.83%

The loans mentioned above include loans given to corporates.

$ NPA accounts refer to stage 3 assets.

85 MOVEMENT OF NPAs

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i) Net NPAs to net advances (%)	4.26%	5.69%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	9,177.08	8,616.27
(b) Additions during the year	5,460.70	7,943.25
(c) Reductions during the year	(6,344.97)	(7,382.44)
(d) Closing balance	**8,292.81**	**9,177.08**
(iii) Movement of Net NPAs		
(a) Opening balance	5,991.13	5,646.53
(b) Additions during the year	3,045.12	5,617.59
(c) Reductions during the year	(4,229.57)	(5,272.99)
(d) Closing balance	**4,806.68**	**5,991.13**
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	3,185.95	2,969.74
(b) Provisions made during the year	2,415.58	2,325.66
(c) Write-off/write-back of excess provisions	(2,115.40)	(2,109.45)
(d) Closing balance	**3,486.13**	**3,185.95**

$ NPA accounts refer to stage 3 assets.

86 OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

87 OFF-BALANCE SHEET SPVs SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

88 CUSTOMER COMPLAINTS

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Number of complaints pending at the beginning of the year	28	60
(b) Number of complaints received during the year	2,469	2,007
(c) Number of complaints redressed during the year	2,407	2,039
(d) Number of complaints pending at the end of the year	90	28

89 INFORMATION ON INSTANCES OF FRAUD

Instances of fraud for the year ended March 31, 2021: (Rs. in crores)

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount written-off
Fraud committed by borrowers and outsiders	3	1.05	0.46	-

* includes Rs. 0.10 crores recovered from the fraud cases reported during the year ended March 31, 2020.

89 INFORMATION ON INSTANCES OF FRAUD (Contd.)

Instances of fraud for the year ended March 31, 2020: (Rs. in crores)

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount written-off
Fraud committed by employees	3	0.18	0.01	-
Fraud committed by borrowers and outsiders	2	0.28	0.04	0.19

* includes Rs. 0.04 crores recovered from the fraud cases reported during the year ended March 31, 2019.

90 DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

Details of Penalties levied by various regulators for the year ended March 31, 2021:

No penalties have been levied by any regulator on the Company for the year ended March 31, 2021.

However during the previous year, the Company had received an order no SDE/SRO/CEZO-I/02/2020(SK) dated March 4, 2020 passed by the Special Director, Directorate of Enforcement (ED), Southern Regional Office, Chennai imposing a penalty of Rs. 5.00 crores on the Company. The Company had filed a writ petition dated June 4, 2020 before the High Court of Madras, requesting for a stay on the said order dated March 04, 2020 of the ED. On July 01, 2020, the Hon'ble Madras High Court had admitted the Company's writ petition challenging the said order dated March 04, 2020 of the ED and granted interim stay order with the direction to the Company to deposit 25% of the penalty amount in the Court. The Company had deposited Rs. 1.25 crore with the Hon'ble Madras High Court on August 26, 2020. The payment was made without prejudice to the rights and entitlement to the reliefs sought by the Company through the petition filed with the Hon'ble Madras High Court. The Deputy Legal Adviser, Enforcement Directorate had filed an appeal dated October 6, 2020 before the Hon'ble Appellate Tribunal for Foreign Exchange, New Delhi ("Appellate Tribunal") against the said order dated March 4, 2020 of the Special Director of Enforcement. The Company will contest the appeal filed in the Hon'ble Appellate Tribunal in the competent forum to seek appropriate legal remedy.

Details of Penalties levied by various regulators for the year ended March 31, 2020:

(Rs. in crores)

Sr. No	Authority	Non-compliance/ violation	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/ Stay Received	Date of payment	Status as on March 31, 2020
1	Reserve Bank of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Insurance Regulatory and Development Authority of India	Clause ll(3)(ii)(a), Clause ll(3)(ii)(m), Clause ll(3)(ii)(o) of Schedule-lll under Regulation 26 of IRDAI (Registration of Corporate Agents) Regulations, 2015 regarding Engagement of persons other than Specified Persons to procure business	0.15	0.15	Nil	Nil	October 31, 2019	Paid
3	Enforcement Directorate (ED) / Adjudicating Authority/ Tribunal or any authority under FEMA	Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	Nil	Nil	Nil	Nil	Disclosed under Note 49: Contingent liabilities and commitments as the Company has filed a writ petition with Hon'ble Madras High Court.

90 DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS (Contd.)

(Rs. in crores)

Sr. No	Authority	Non-compliance/ violation	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/ Stay Received	Date of payment	Status as on March 31, 2020
4	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Securities and Exchange Board of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Competition Commission of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil

91 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner

Membership No. 015139
Gurugram
April 29, 2021

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

As required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Schedule to the Balance Sheet

(Rs. in crores)

Particulars	As at March 31, 2021	
Liabilities side :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	**Amount outstanding**	**Amount overdue**
(a) Debenture : Secured	20,945.15	15.62 #
: Unsecured	464.44	Nil
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	Nil	Nil
(c) Term Loans	40,491.50	Nil
(d) Inter-corporate loans and borrowing	49.59	Nil
(e) Commercial Paper	Nil	Nil
(f) Public Deposits* @	15,897.16	106.45 #
(g) Other Loans - Subordinated debts	4,657.19	36.43 #
- Cash Credit	667.38	Nil
- Deposits from corporates	392.40	0.29 #
- Senior secured notes	888.35	Nil
- External commercial borrowing- Secured	4,122.49	Nil
- External commercial bond -Secured	17,779.55	Nil
@ excludes deposits from corporates		
*Please see note 1 below		
# Represent amounts unclaimed		

(Rs. in crores)

(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	**Amount outstanding**	**Amount overdue**
(a) In the form of Unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits @	15,897.16	106.45 #
@ excludes deposits from corporates		
*Please see note 1 below		
# Represent amounts unclaimed		

(Rs. in crores)

Assets side :	Amount outstanding
(3) Break-up of loans and advances including bills receivables (other than those included in (4) below):	
(a) Secured	113,424.31
(b) Unsecured	2,767.28

(Rs. in crores)

(4) **Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities €**	**Amount outstanding**
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	Nil
(b) Operating lease	Nil
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	Nil
(b) Repossessed Assets	Nil
(iii) Other loans counting towards asset financing activities : €	
(a) Loans where assets have been repossessed	Nil
(b) Loans other than (a) above	Nil

€ The Company has not disclosed amount outstanding under assets financing activities under note 4(iii) and included entire loan amount outstanding under note 3 as RBI has merged Asset Financing Companies, Loan Companies and Investment companies in to a new category "NBFC - Investment and Credit Company" vide its circular no. DNBR (PD) CC. No. 097/03.10.001/2018-19 dated February 22, 2019.

(Rs. in crores)

(5) **Break-up of investments : $**	**Amount outstanding**
Current investments :	
1. Quoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debenture and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (Please specify)	Nil
2. Unquoted :	
(i) Shares: (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (Please specify)	Nil
Long term investments :	
1. Quoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	2,058.34
(v) Others (Please specify)	Nil
2. Unquoted :	
(i) Shares: (a) Equity	20.11
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	-
(iv) Government securities	Nil
(v) Others -Venture capital fund	1.54
- Pass through certificates (unquoted)	1,117.86

$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA for NBFCs.

(6) Borrower group-wise classification of assets, financed as in (3) and (4) above :

Please see note 2 below

(Rs. in crores)

	Category	Amount (Net of provisions)	
		Secured	Unsecured
1.	Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
2.	Other than related parties	105,867.28	2,435.76
	Total	**105,867.28**	**2,435.76**

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): $

Please see note 3 below

(Rs. in crores)

	Category	Market Value / Break up or fair value or NAV*	Book Value (Net of Provisions)
1.	Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	64.13	13.37
	(c) Other related parties	Nil	Nil
2.	Other than related parties	3,071.46	3,184.48
	Total	**3,135.59**	**3,197.85**

* Disclosure is made in respect of available information.

** As per Indian Accounting Standard issued by MCA (Please see note 3)

$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA.

(8) Other information

(Rs. in crores)

	Particulars	Amount
(i)	Gross non-performing assets ¥	
	(a) Related parties	Nil
	(b) Other than related parties	8,292.81
(ii)	Net non-performing assets ¥	
	(a) Related parties	Nil
	(b) Other than related parties	4,806.68
(iii)	Assets acquired in satisfaction of debt	Nil

¥ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes :

1. As defined in point xxvii of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.

FORM AOC-1

(Pursuant to first proviso to sub- section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part A: Subsidiaries

The Company does not have any subsidiary.

Part B: Associates and joint venture (Refer note 45)

Sr. No.	Particulars - Associate	Shriram Automall India Limited
1	**Latest Audited Balance Sheet Date ***	March 31, 2021
2	**Shares of associate held by the Company on the year end**	
	No.	13,369,565
	Amount of investment in associate (Rs. in crores)	13.37
	Extent of holding %	44.56
3	**Description of how there is significant influence**	By virtue of holdings being 20% or more
4	**Reason why the associate is not consolidated**	N.A.
5	**Networth attributable to shareholding as per latest audited Balance Sheet (Rs. in crores) ***	66.60
6	**Profit/Loss for the year (Rs. in crores)**	
	i Considered in consolidation	11.57
	ii Not Considered in consolidation	14.39

*The financial statements of the associate are as per unaudited financial statements provided by the management.

The Company does not have any joint venture.

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

CONSOLIDATED ACCOUNTS

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To the Members of
Shriram Transport Finance Company Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Shriram Transport Finance Company Limited (hereinafter referred to as "the Holding Company") and its associate comprising of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Holding Company and its associate as at March 31, 2021, their consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 63 to the consolidated financial statements which describes the staging of accounts to whom moratorium benefit was extended and uncertainty caused by COVID-19 pandemic with respect to the Company's estimates of Impairment of loans to customers. Further, the extent to which the COVID-19 pandemic will impact the Holding Company's and its associate's financial performance is dependent on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

<u>Impairment Loss Allowance of loans and advances</u>

Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Company has significant credit risk exposure considering the large loan portfolio across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the potential impact of unprecedented COVID 19 pandemic on asset quality and provision of the Company. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

Audit Procedures included but were not limited to the following:

We have started our audit procedures with understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.

We also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company which is based on and in compliance with Ind AS 109 "Financial Instruments". Particularly we assessed the approach of the Company regarding definition of Default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.

For loans and advances which are assessed for impairment on a portfolio basis we performed particularly the following procedures:

- We tested the reliability of key data inputs and related management controls;
- We checked the stage classification as at the balance sheet date as per the definition of Default of the Company;
- We validated the ECL Model and its calculation by involving our Information Technology Expert;
- We have checked on sample basis the stage classification for the borrowers has been given in accordance with the Resolution Framework issued by Reserve Bank of India and the Board approved policy for ECL provisioning and stage classification with respect to such accounts;
- We have verified whether the ECL provision is made in accordance with the Board Approved Policy in this regard;
- We have also calculated the ECL provision manually for selected samples;
- We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information and based on an event in a particular geographical range;
- We have reviewed the process of the Company to grant moratorium to the borrowers as per the Regulatory Package announced by the Reserve Bank of India (RBI). Further, we have relied on the assumption of the management that there will be no significant increase in the credit risk in the cases where moratorium is given and that the staging based on the days past due (DPD) will be considered as per the RBI COVID-19 Regulatory Package. We have tested on samples basis the DPD freeze for cases where moratorium is provided and not provided in accordance with RBI COVID-19 Regulatory Package;
- With respect to additional provision made by the Company on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company; and
- We have checked the provision on Loan Assets as per IRACP norms as required under RBI circular dated March 13, 2020. We have checked the DPD and provision in accordance with the RBI regulations in that regard further considering the Regulatory Packages issued by RBI dated March 27, 2020 and May 23, 2020 and RBI circular dated April 17, 2020.

For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regards along with its compliance on sample basis.

Other Information

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

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Holding Company

and its associate in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Holding Company and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its associate for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the Holding Company and its associate are responsible for overseeing the financial reporting process of the Holding Company and its associate.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Holding Company of which we are the independent auditor, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial

statements of which we are the independent auditor.

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

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

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

Other Matter

The consolidated financial statements include Holding Company's share of net profit (including other comprehensive income) of Rs. 11.77 Crores for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 1 associate, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid associate, is based solely on such unaudited Ind AS financial statements. In our opinion and according to the information and explanations given to us by the management, these Ind AS financial statements are not material to the Holding Company.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the Ind AS financial statements furnished to us by the management.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, refer to our standalone report under section 143(3)(i) of the Act of even date. We do not comment on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the associate company, incorporated in India, whose Ind AS financial statements are unaudited which have been furnished to us by the management and is not material to the Holding Company. Accordingly, the matter to be reported on the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its associate company incorporated in India, is same as reported in the Independent Auditor's Report on the standalone Ind AS financial statements, and hence not reproduced in this report;

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us by the Holding Company, the remuneration paid/ provided by the Holding Company is in accordance with the provisions of section 197 of the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its associate – Refer Note 49 to the consolidated financial statements;

(ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the consolidated financial statements.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No :103523W/W100048

Sumant Sakhardande
Partner
Membership Number: 034828
UDIN: 21034828AAAACM3648

Place: Mumbai
Date: April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No.: 309015E

Pijush Kumar Gupta
Partner
Membership Number: 015139
UDIN: 21015139AAAAAU4335

Place: Gurugram
Date: April 29, 2021

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

(Rs. in crores)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	8	11,050.93	3,088.99
(b) Bank balance other than (a) above	9	5,390.89	4,225.93
(c) Derivative financial instruments	10	169.25	758.73
(d) Receivables	11		
(I) Trade receivables		8.92	10.50
(II) Other receivables		49.90	5.64
(e) Loans	12	108,303.04	102,231.63
(f) Investments	13	3,346.77	2,935.63
(g) Other financial assets	14	49.03	38.70
Total financial assets		**128,368.73**	**113,295.75**
(2) Non-financial assets			
(a) Current tax assets (net)	15	171.73	249.10
(b) Deferred tax assets (net)	43	639.14	62.50
(c) Investment property	16	2.00	2.03
(d) Property, plant and equipment	17	124.44	149.88
(e) Right-of-use assets	18	308.51	334.29
(f) Other intangible assets	19	2.39	2.67
(g) Other non-financial assets	20	210.84	169.57
Total non-financial assets		**1,459.05**	**970.04**
Total assets		**129,827.78**	**114,265.79**
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables			
(I) Trade payables	21		
(i) total outstanding dues of micro enterprises and small enterprises		-	0.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		255.51	143.44
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.37	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.54	1.13
(b) Debt securities	22	40,061.87	34,266.96
(c) Borrowings (other than debt securities)	23	45,281.37	42,474.60
(d) Deposits	24	16,232.41	11,960.12
(e) Subordinated liabilities	25	4,620.76	5,670.07
(f) Lease liabilities	18	349.49	362.81
(g) Other financial liabilities	26	964.35	912.32
Total financial liabilities		**107,766.67**	**95,791.85**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	27	102.02	102.02
(b) Provisions	28	142.54	146.33
(c) Other non-financial liabilities	29	99.26	83.28
Total non-financial liabilities		**343.82**	**331.63**
Total liabilities		**108,110.49**	**96,123.48**
(3) Equity			
(a) Equity share capital	30	253.06	226.88
(b) Other equity	31	21,464.23	17,915.43
Total equity		**21,717.29**	**18,142.31**
Total liabilities and equity		**129,827.78**	**114,265.79**

See accompanying notes to the consolidated financial statements

As per our report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner

Membership No. 015139
Gurugram
April 29, 2021

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

(Rs. in crores)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
(i) Interest income	32	17,128.14	16,267.46
(ii) Dividend income		-	0.19
(iii) Rental income		0.21	0.22
(iv) Fees and commission income	33	115.86	194.97
(v) Net gain on fair value changes	34	21.80	11.92
(vi) Net gain on derecognition of financial instruments under amortised cost category		58.85	-
(vii) Other operating income	35	95.59	80.73
(I) Total Revenue from operations		**17,420.45**	**16,555.49**
(II) **Other income**	36	15.95	20.27
(III) Total Income (I + II)		**17,436.40**	**16,575.76**
Expenses			
(i) Finance cost	37	9,054.26	8,270.26
(ii) Fees and commission expense	38	78.89	56.88
(iii) Impairment on financial instruments	39	3,118.40	2,794.88
(iv) Employee benefits expenses	40	906.25	1,010.82
(v) Depreciation, amortisation and impairment	41	137.36	141.05
(vi) Other expenses	42	863.23	863.20
(IV) Total Expenses		**14,158.39**	**13,137.09**
(V) Profit before exceptional items and tax (III - IV)		**3,278.01**	**3,438.67**
(VI) Exceptional items		-	-
(VII) Profit before tax (V+ VI)		**3,278.01**	**3,438.67**
(VIII) Tax Expense:			
(1) Current tax		1,197.77	921.20
(2) Deferred tax		(545.36)	14.79
(3) Tax adjustment for earlier years		138.34	0.84
(IX) Profit for the year from continuing operations (VII-VIII)		**2,487.26**	**2,501.84**
(X) Share of profit of associate		11.57	10.43
(XI) Profit for the year (IX + X)		**2,498.83**	**2,512.27**
(XII) Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		-	(6.33)
Share of other comprehensive income from associates		0.27	0.34
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	1.59
Tax on share of other comprehensive income from associates		(0.07)	(0.09)
Subtotal (A)		**0.20**	**(4.49)**
B (i) Items that will be reclassified to profit or loss			
Cash flow hedge			
Gain/(loss) on effective portion of hedging instruments in a cash flow hedge		(124.31)	-
(ii) Income tax relating to items that will be reclassified to profit or loss		31.29	-
Subtotal (B)		**(93.02)**	**-**
Other comprehensive income (A + B)		**(92.82)**	**(4.49)**
(XIII) Total Comprehensive income for the year (XI + XII)		**2,406.01**	**2,507.78**
(XIV) Earnings per equity share (face value Rs. 10/- per equity share)			
Basic (Rs.)	44	101.44	107.89
Diluted (Rs.)	44	101.44	107.89

See accompanying notes to the consolidated financial statements

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner

Membership No. 015139
Gurugram
April 29, 2021

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2021

A. Equity share capital

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2019	**226,882,736**	**226.90**
Changes during the year (refer note 30 Equity)	-	(0.02)
As at March 31, 2020	**226,882,736**	**226.88**
Changes during the year (refer note 30 Equity)	**26,178,777**	26.18
As at March 31, 2021	**253,061,513**	**253.06**

B. Other equity

(Rs. in crores)

Particulars	Reserves and Surplus							Other comprehensive income		Total
	Statutory reserve	Capital reserve	Securities premium	Debenture redemption reserve #	Capital redemption reserve	General reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit plan	Effective portion of cash flow hedges	
Balance as at April 01, 2019	**3,168.55**	**27.62**	**1,754.81**	**374.62**	**53.88**	**2,164.35**	**8,196.85**	**(4.83)**	**-**	**15,735.85**
Profit for the year	-	-	-	-	-	-	2,512.27	-	-	**2,512.27**
Other comprehensive income for the year	-	-	-	-	-	-	-	(4.49)	-	**(4.49)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,512.27**	**(4.49)**	**-**	**2,507.78**
Transferred to/(from) (refer note 31 Other equity)	500.38	-	-	235.79	-	250.19	(986.36)	-	-	-
Transferred from share forfeiture account	-	0.02	-	-	-	-	-	-	-	**0.02**
Dividends (Interim and final)	-	-	-	-	-	-	(272.26)	-	-	**(272.26)**
Tax on dividend (Interim and final)	-	-	-	-	-	-	(55.96)	-	-	**(55.96)**
Balance as at March 31, 2020	**3,668.93**	**27.64**	**1,754.81**	**610.41**	**53.88**	**2,414.54**	**9,394.54**	**(9.32)**	**-**	**17,915.43**

(Rs. in crores)

Particulars	Reserves and surplus							Other comprehensive income		Total
	Statutory reserve	Capital reserve	Securities premium	Debenture redemption reserve #	Capital redemption reserve	General reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit plan	Effective portion of cash flow hedges	
Balance as at April 01, 2020	**3,668.93**	**27.64**	**1,754.81**	**610.41**	**53.88**	**2,414.54**	**9,394.54**	**(9.32)**	**-**	**17,915.43**
Profit for the year	-	-	-	-	-	-	2,498.83	-	-	**2,498.83**
Other comprehensive income for the year	-	-	-	-	-	-	-	0.20	(93.02)	**(92.82)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,498.83**	**0.20**	**(93.02)**	**2,406.01**
Securities premium proceeds received on issue of equity shares (refer note 30 Equity and note 31 Other equity)	-	-	1,466.01	-	-	-	-	-	-	**1,466.01**
Rights issue expenses (refer note 30 Equity and note 31 Other equity)	-	-	(19.55)	-	-	-	-	-	-	**(19.55)**
Transferred to/(from) (refer note 31 Other equity)	497.46	-	-	311.00	-	248.73	(1,057.19)	-	-	-
Dividends (interim)	-	-	-	-	-	-	(303.67)	-	-	**(303.67)**
Balance as at March 31, 2021	**4,166.39**	**27.64**	**3,201.27**	**921.41**	**53.88**	**2,663.27**	**10,532.51**	**(9.12)**	**(93.02)**	**21,464.23**

Refer note 31 Other equity

See accompanying notes to the consolidated financial statements

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner

Membership No. 015139
Gurugram
April 29, 2021

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman &
Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,278.01	3,438.67
Depreciation, amortisation and impairment	137.36	141.05
Interest on income tax refund	-	(5.80)
Interest income	(16,611.31)	(15,690.72)
Finance costs	9,054.26	8,270.26
Loss/(profit) on sale of property plant and equipments (net)	0.65	(1.17)
Impairment on loans	3,128.29	2,748.87
Impairment on investments	(4.22)	42.22
Impairment on undrawn loan commitment	(5.45)	4.39
Impairment on other assets	(0.22)	(0.60)
Net (gain)/loss on fair value changes on investment	(2.85)	0.87
Net (gain)/loss on sale of mutual funds and certificate of deposits	(20.02)	(18.67)
Net (gain)/loss on fair value changes on direct assignment	1.07	-
Net (gain)/loss on fair value changes on derivatives	-	5.88
Net gain on derecognition of financial instruments under amortised cost category	47.05	-
Cash inflow from interest on loans	18,405.90	14,487.74
Cash outflow towards finance costs	(7,745.19)	(7,608.85)
Operating profit before working capital changes	**9,663.33**	**5,814.14**
Movements in Working capital:		
Decrease/(increase) in loans	(10,994.29)	(7,026.05)
(Increase)/decrease in investments	(372.28)	1,176.17
Decrease/(increase) in receivables	(90.83)	12.28
Decrease/(increase) in bank deposits	(1,164.96)	(1,273.60)
Decrease/(increase) in other financial assets	(10.11)	(1.22)
Decrease/(increase) in other non-financial assets	(41.13)	(28.09)
Increase/(decrease) in payables	111.67	10.38
Increase/(decrease) in other financial liabilities	(99.05)	(104.04)
Increase/(decrease) in non-financial liabilities	15.98	13.79
Increase/(decrease) other provision	1.66	7.69
Cash used in operations	**(2,980.01)**	**(1,398.55)**
Direct taxes paid (net of refunds)	(1,258.75)	(1,065.03)
Net cash flows from/(used in) operating activities (A)	**(4,238.76)**	**(2,463.58)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(25.82)	(57.80)
Proceeds from sale of property, plant and equipment and intangible assets	0.93	2.60
Net cash generated from/(used in) investing activities (B)	**(24.89)**	**(55.20)**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including share premium and net of share issue expenses)	1,472.64	-
Proceeds/(repayment) on settlement of derivative contracts	589.48	(826.31)
Increase / (decrease) in Fixed deposits (net)	4,206.86	1,661.62
Amounts received from debt securities	10,636.15	17,215.18
Repayments of debt securities	(5,797.45)	(16,861.23)
Proceeds/(repayment) of subordinated debts	(1,069.27)	487.32
Amounts received from borrowings other than debt securities	38,480.04	38,439.54
Repayments of borrowings other than debt securities	(36,032.94)	(35,112.77)
Payment of Lease Liabilities	(107.33)	(96.38)
Dividend paid	(152.59)	(272.38)
Tax on dividend	-	(55.96)
Net cash flows from financing activities (C)	**12,225.59**	**4,578.63**
Net increase in cash and cash equivalents (A+B+C)	7,961.94	2,059.85
Cash and cash equivalents at the beginning of the year	3,088.99	1,029.14
Cash and cash equivalents at the end of the year	**11,050.93**	**3,088.99**

Components of cash and cash equivalents

(Rs. in crores)

Cash and cash equivalents at the end of the year	As at March 31, 2021	As at March 31, 2020
i) Cash on hand	79.61	41.24
ii) Cheques on hand	6.16	2.38
iii) Balances with banks (of the nature of cash and cash equivalents)	5,014.78	1,810.59
iv) Call Money (CBLO)	2,498.85	-
v) Bank deposit with original maturity less than three months	3,451.53	1,234.78
Total	**11,050.93**	**3,088.99**

The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

See accompanying notes to the consolidated financial statements

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner

Membership No. 015139
Gurugram
April 29, 2021

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

1 BASIS OF PREPARATION

The Consolidated financial statements relates to M/s. Shriram Transport Finance Company Limited (the "Company") and its associate. The Consolidated financial statements of the Company and its associate have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (refer note 6.1 (v)).

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

The Consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crore, except when otherwise indicated.

2 BASIS OF CONSOLIDATION

(i) The financial statements of the associate company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2021 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Company and its associate have been prepared in accordance with the Ind AS 110- 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and the other relevant provisions of the Act.

(iii) The consolidated financial statements have been prepared on the following basis:

a) Investment made by the Company in an associate company is accounted under the equity method, in accordance with the Indian Accounting Standard 28 on 'Investments in Associates and Joint Ventures'.

b) The policies of the associate company are consistent with those of the Company.

(iv) The associate company considered in the consolidated financial statements are as below (refer note 45):

Name of the associate company	Country of incorporation	Share of ownership interest as at March 31, 2021	Share of ownership interest as at March 31, 2020
Shriram Automall India Limited (SAMIL)	India	44.56%	44.56%

3 PRESENTATION OF FINANCIAL STATEMENT

The Consolidated financial statements of the Company and its associate are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

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

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

4 STATEMENT OF COMPLIANCE

These Consolidated financial statements of the Company and its associate have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

The Company and its associate has consistently applied accounting policies to all the periods except for note 6.1 (v).

5 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

6 SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

(ii) Financial assets measured at amortised cost

Debt instruments

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

Debt instruments are measured at amortised cost where they have:

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

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

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

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

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

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

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

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

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at fair value through other comprehensive income (FVOCI).

Amounts presented in other comprehensive income are not subsequently transferred to the statement of profit and loss. Dividends on such investments are recognised in the statement of profit and loss.

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date, the Company does not have any financial instruments measured at fair value through profit or loss.

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

Financial instruments held for trading

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

Financial instruments designated as measured at fair value through profit or loss

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

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

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

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

(v) **Derivatives**

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

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.
- The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities.

Hedge accounting:

Till March 31, 2020, Derivatives were initially recognised at fair value at the date the derivative contracts are entered into and were subsequently measured at their fair value at the end of each reporting period. Such derivative instruments were presented as assets in case of a fair value gain and as liabilities in case of fair value loss. Changes in the fair value of derivatives were included in net gain on fair value changes.

Effective April 01, 2020, the Company has adopted hedge accounting. The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria. The Company has formally designated and documented the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

During the year ended March 31, 2021, hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge: A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect the statement of profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in other comprehensive income as cash flow hedge reserve. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

(vi) Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

(vii) Debt securities and other borrowed funds

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

(viii) Financial guarantees

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

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

(ix) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2019-20 and until the year ended March 31, 2021.

(x) Recognition and Derecognition of financial assets and liabilities

Recognition:

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

b) Investments are initially recognised on the settlement date.

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

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

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

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

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

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

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

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

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

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. Accordingly, gain or loss on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

b) Financial liabilities

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

(xi) Impairment of financial assets

Overview of the ECL principles

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

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

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

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Business Loans, secured loans for new vehicles, secured loans for used vehicles and Equipment Finance Loans.

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

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

Stage 1

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

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

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

Credit-impaired financial assets:

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

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

a) Significant financial difficulty of the borrower or issuer;

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

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

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

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

ECL on Investment in Government securities:

The Company has invested in Government of India loans. Investment in Government securities are classified under stage 1. No ECL has been applied on these investments as there is no history of delay in servicing of interest/repayments. The Company does not expect any delay in interest/redemption servicing in future.

Simplified approach for trade/other receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor.

ECL on Debt instruments measured at fair value through OCI

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

The mechanics of ECL:

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

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 53.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 53.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 53.

Forward looking information

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

Refer note 63 for impact of COVID and macro-economic factors on PD and LGD estimation.

Collateral Valuation

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

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. The Company generally does not use the assets repossessed for the internal operations. The underlying loans in respect of which collaterals have been repossessed and not sold for more than 12 months are considered as Stage 3 assets and fully provided for net of estimated realizable value or written off. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet as it does not meet the recognition criteria in other standards and consequently the Company also does not derecognise the underlying financial asset immediately on repossession.

(xii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss. Write off in case of standard accounts is done by way of waiver of last one or two instalments in case the borrower pays all the EMIs as per the due dates mentioned in the agreement.

(xiii) Determination of fair value

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

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

Difference between transaction price and fair value at initial recognition

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

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

6.2 Revenue from operations

(i) Interest Income

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

The EIR in case of a financial asset is computed

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

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

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

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

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

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

Interest spread under par structure of direct assignment of loan receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the statement of profit and loss.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset.

(iv) Fees & Commission Income

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

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

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

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

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

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

(v) Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 34) held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

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

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

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the statement of profit and loss. The resulting interest only strip initially is recognised at FVTPL under interest income.

6.3 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

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

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

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

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.
Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

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

b) Defined Benefit schemes

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

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

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

The Company fully contributes all ascertained liabilities to The Trustees - Shriram Transport Finance Company Limited Employees Group Gratuity Assurance Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

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

Other long-term employee benefits

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

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

(iii) Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 (transition date). The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Company's lease asset classes consist of leases for office premises.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases, the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

In case of a sub-lease, the Company accounts for its head lease and sub-lease separately.

(iv) Other income and expenses

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

(v) Impairment of non-financial assets

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

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

(vi) Taxes

Current Tax

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

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

Deferred tax

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

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

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

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

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

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

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

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

6.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition:

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

Conversion:

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

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

6.5 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents) and short- term deposits, as defined above.

6.6 Property, plant and equipment

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

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, if it is probable that future economic benefit will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

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

The estimated useful lives are as follows:

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

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

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss from / upto the date of acquisition/sale.

6.7 Intangible assets

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

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

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

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

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

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

6.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the statement of profit and loss in the same period.

6.9 Provisions

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

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

6.10 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

6.11 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6.12 Share Based Payment Transactions

As per Ind AS 101, the entity is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind-AS. The Company has decided to avail this exemption and have decided not to apply the requirements of Ind AS 102 to equity instruments that vested before date of transition to Ind-AS.

7 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

7.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(xi) Overview of ECL principles.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

7.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
8	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	79.61	41.24
	Balances with banks (of the nature of cash and cash equivalents)	5,014.78	1,810.59
	Cheques on hand	6.16	2.38
	Call money (CBLO)	2,498.85	-
	Bank deposit with original maturity less than three months	3,451.53	1,234.78
	Total	**11,050.93**	**3,088.99**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The Company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
9	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**		
	Balances with banks		
	Earmarked balances for interim dividend	151.84	-
	Unclaimed dividend accounts	9.81	10.57
	Bank deposit with original maturity for more than three months	351.50	364.16
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments. *	4,877.74	3,851.20
	Total	**5,390.89**	**4,225.93**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits Rs. 4,642.90 crores (March 31, 2020: Rs. 3,701.14 crores) pledged with Banks as margin for credit enhancement, Rs. 34.36 crores (March 31, 2020: Rs. 146.83 crores) as margin for guarantees and Rs. 200.48 crores (March 31, 2020: Rs. 3.23 crores) pledged as lien against loans taken.

10 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. Since April 01, 2020, the Company has adopted hedge accounting.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(Rs. in crores)

	Particulars	As at March 31, 2021				As at March 31, 2020			
		Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I									
(i)	**Currency derivatives:**								
	- Spots and forwards	13,826.90	79.37	-	-	8,018.44	378.05	-	-
	- Currency swaps	2,320.38	(103.23)	-	-	1,769.50	11.50	-	-
	- Cross currency interest rate swaps	6,236.92	181.54	-	-	6,389.23	319.50	-	-
	Sub total (i)	**22,384.20**	**157.68**	**-**	**-**	**16,177.17**	**709.05**	**-**	**-**
(ii)	**Interest rate derivatives:**								
	- Interest rate swaps	14,047.48	9.72	-	-	8,744.63	45.77	-	-
	- Interest rate caps	-	1.85	-	-	-	3.91	-	-
	Sub total (ii)	**14,047.48**	**11.57**	**-**	**-**	**8,744.63**	**49.68**	**-**	**-**

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

(Rs. in crores)

Particulars		As at March 31, 2021				As at March 31, 2020			
		Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
(iii)	**Credit derivatives:**	-	-	-	-	-	-	-	-
(iv)	**Equity linked derivatives:**	-	-	-	-	-	-	-	-
(v)	**Other derivatives:**	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)+(v)		**36,431.68**	**169.25**	-	-	**24,921.80**	**758.73**	-	-
Part II									
	Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i)	Fair value hedging:	-	-	-	-	-	-	-	-
(ii)	Cash flow hedging:	-	-	-	-	-	-	-	-
	- Currency derivatives	22,384.20	157.68	-	-	-	-	-	-
	- Interest rate derivatives	14,047.48	11.57	-	-	-	-	-	-
(iii)	Net investment hedging:	-	-	-	-	-	-	-	-
(iv)	Undesignated derivatives	-	-	-	-	24,921.80	758.73	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)		**36,431.68**	**169.25**	-	-	**24,921.80**	**758.73**	-	-

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 53.

Derivatives designated as hedging instruments

The Company had not designated any derivatives as hedging instruments till March 31, 2020. Since April 01, 2020, the Company designates its derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates. At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the hedging instruments are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Derivatives not designated as hedging instruments

Till March 31, 2020, the Company used cross currency interest rate swaps, interest rate swaps, principal only swaps, forward contracts, interest rate caps to manage its interest rate risk and foreign currency risk arising from USD and EURO denominated External commercial borrowings and bonds. The derivative instruments were entered into for periods consistent with exposure of the underlying transactions. From April 01, 2020, there no undesignated derivatives.

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Notes:

1) The interest rate risk and exchange rate risk on the borrowings of the Company are managed using various derivative instruments which are entered from time to time. The risk management strategy and the use of derivatives are explained in Note 53 - Risk management and Note 80 - Derivatives.

2) The Company has designated the interest rate derivatives which were entered to mitigate interest rate risks on its external commercial bond and external commercial borrowings, as hedging instruments.

The impact of the hedging instrument on the Balance sheet as at March 31, 2021 is as follows:

(Rs. in crores)

Hedged Instrument	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the year
Currency derivatives/ Interest rate derivatives	36,431.68	169.25	Derivative Financial Instruments	124.31

The impact of hedged items on the Balance sheet as at March 31, 2021 is as follows:

(Rs. in crores)

Hedged Item	Change in value used for measuring ineffectiveness	Cash flow hedge reserve as on March 31, 2021
External commercial bond and external commercial borrowings	(124.31)	(93.02)

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income during the year ended March 31, 2021 is as follows:

(Rs. in crores)

Hedged Item	Total hedging gain / (loss) recognised in OCI	Ineffectiveness recognised in the statement of profit and loss	Line item in the statement of profit and loss that include the hedge ineffectiveness	Amount reclassified from cash flow hedge reserve to statement of Profit or loss	Line item in the statement of profit and loss that includes the reclassification adjustment
External commercial bond and external commercial borrowings	(124.31)	-	NA	-	NA

11 RECEIVABLES

(I) Trade receivables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	8.92	10.50
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Gross	**8.92**	**10.50**
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net	**8.92**	**10.50**

11 RECEIVABLES (Contd.)

(II) Other receivables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured	49.90	5.64
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	1.88	2.10
Gross	**51.78**	**7.74**
Less: Allowances for impairment loss on credit impaired other receivables	1.88	2.10
Net	**49.90**	**5.64**

There is no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.
Trade receivables are non-interest bearing and are generally on terms of **30** days.

(Rs. in crores)

Trade receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2021	Estimated total gross carrying amount at default	-	8.84	0.08	-	-	-	**8.92**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	**-**	**8.84**	**0.08**	**-**	**-**	**-**	**8.92**
March 31, 2020	Estimated total gross carrying amount at default	-	10.22	0.28	-	-	-	**10.50**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	**-**	**10.22**	**0.28**	**-**	**-**	**-**	**10.50**

The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.

(Rs. in crores)

Other receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2021	Estimated total gross carrying amount at default	46.82	2.58	0.43	0.19	0.19	1.57	**51.78**
	ECL-simplified approach	-	0.04	0.04	0.04	0.19	1.57	**1.88**
	Net carrying amount	**46.82**	**2.54**	**0.39**	**0.15**	**-**	**-**	**49.90**
March 31, 2020	Estimated total gross carrying amount at default	-	2.46	1.73	1.71	0.31	1.53	**7.74**
	ECL-simplified approach	-	0.18	0.04	0.04	0.31	1.53	**2.10**
	Net carrying amount	**-**	**2.28**	**1.69**	**1.67**	**-**	**-**	**5.64**

11 RECEIVABLES (Contd.)

Reconciliation of impairment loss allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2019	**1.58**
Add: Addition during the year	0.53
(Less): Reduction during the year	(0.01)
Impairment allowance as per March 31, 2020	**2.10**
Add: Addition during the year	0.21
(Less): Reduction during the year	(0.43)
Impairment allowance as per March 31, 2021	**1.88**

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
12 LOANS		
(A)		
Loans (at amortised cost)		
i) Term loans	113,424.31	105,073.08
ii) Others -Unsecured loans	2,767.28	3,428.63
Total (A) - Gross	**116,191.59**	**108,501.71**
Less : Impairment loss allowance (refer note 63)	7,888.55	6,270.08
Total (A) - Net	**108,303.04**	**102,231.63**
(B)		
i) Secured by tangible assets	113,415.53	105,061.35
ii) Secured by deposits	8.78	11.73
iii) Unsecured	2,767.28	3,428.63
Total (B) - Gross	**116,191.59**	**108,501.71**
Less : Impairment loss allowance (refer note 63)	7,888.55	6,270.08
Total (B) - Net	**108,303.04**	**102,231.63**
(C) Loans in India		
i) Public sector	-	-
ii) Others		
Retail	115,654.09	107,959.44
Corporates	537.50	542.27
Total (C) - Gross	**116,191.59**	**108,501.71**
Less : Impairment loss allowance (refer note 63)	7,888.55	6,270.08
Total (C)- Net	**108,303.04**	**102,231.63**

12 LOANS (Contd.)

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 53.02.02.06.

(Rs. in crores)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Internal rating grade								
Performing								
High grade	66,806.72	-	-	**66,806.72**	71,178.65	-	-	**71,178.65**
Standard grade	27,108.94	-	-	**27,108.94**	15,886.32	-	-	**15,886.32**
Sub-standard grade	-	6,570.01	-	**6,570.01**	-	10,002.10	-	**10,002.10**
Past due but not impaired	-	7,413.11	-	**7,413.11**	-	2,257.56	-	**2,257.56**
Non- performing	-	-	**8,292.81**	**8,292.81**	-	-	**9,177.08**	**9,177.08**
Total	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**

An analysis of changes in the gross carrying amount as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**
New assets originated or purchased	32,100.42	4,062.47	1,318.50	**37,481.39**	43,005.82	7,356.58	1,113.47	**51,475.87**
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(22,592.41)	(3,531.65)	(2,157.84)	**(28,281.90)**	(33,463.85)	(6,306.23)	(3,476.22)	**(43,246.30)**
Transfers to stage 1	9,958.65	(7,726.70)	(2,231.95)	-	15,378.35	(13,654.99)	(1,723.36)	-
Transfers to stage 2	(9,766.35)	10,722.93	(956.58)	-	(7,712.88)	8,683.45	(970.57)	-
Transfers to stage 3	(2,449.08)	(1,693.12)	4,142.20	-	(3,672.48)	(3,157.30)	6,829.78	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(400.54)	(110.47)	(998.60)	**(1,509.61)**	(569.88)	(253.18)	(1,212.29)	**(2,035.35)**
Gross carrying amount closing balance	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**

12 LOANS (Contd.)

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	General approach				General approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**2,156.05**	**928.08**	**3,185.95**	**6,270.08**	**1,472.80**	**1,113.46**	**2,969.74**	**5,556.00**
New assets originated or purchased	1,010.13	402.20	556.65	**1,968.98**	887.83	489.55	382.72	**1,760.10**
Transfers to stage 1	1,381.13	(602.54)	(778.59)	-	1,408.32	(829.08)	(579.24)	-
Transfers to stage 2	(260.75)	598.96	(338.21)	-	(159.73)	477.65	(317.92)	-
Transfers to stage 3	(65.42)	(145.29)	210.71	-	(78.94)	(200.93)	279.87	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(774.25)	285.13	1,648.22	**1,159.10**	(804.35)	130.61	1,663.07	**989.33**
Amounts written off	(400.54)	(110.47)	(998.60)	**(1,509.61)**	(569.88)	(253.18)	(1,212.29)	**(2,035.35)**
ECL allowance - closing balance	**3,046.35**	**1,356.07**	**3,486.13**	**7,888.55**	**2,156.05**	**928.08**	**3,185.95**	**6,270.08**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs. 1,080.81 crores (During previous year Rs. 1,447.19 crores).

13 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total	Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total
i) Mutual funds *	-	-	-	-	-	3.02	-	**3.02**
ii) Government securities (refer note 65)	2,058.34	-	-	**2,058.34**	1,824.46	-	-	**1,824.46**
iii) Debt securities	-	-	-	-	52.67	-	-	**52.67**
iv) Equity instruments	-	6.74	-	**6.74**	-	3.36	-	**3.36**
v) Associates (at cost)	-	-	162.29	**162.29**	-	-	150.52	**150.52**
vi) Pass through certificates (unquoted)	1,155.87	-	-	**1,155.87**	942.79	-	-	**942.79**
vii) Certificate of deposits	-	-	-	-	-	-	-	-
viii)Others (venture capital fund)	-	1.54	-	**1.54**	-	1.04	-	**1.04**
Total Gross (A)	**3,214.21**	**8.28**	**162.29**	**3,384.78**	**2,819.92**	**7.42**	**150.52**	**2,977.86**
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	3,214.21	8.28	-	**3,384.78**	2,819.92	7.42	150.52	**2,977.86**
Total Gross (B)	**3,214.21**	**8.28**	**-**	**3,384.78**	**2,819.92**	**7.42**	**150.52**	**2,977.86**
Less : Allowance for impairment loss (C)	(38.01)	-	-	**(38.01)**	(42.23)	-	-	**(42.23)**
Total - Net D = (A) - (C)	**3,176.20**	**8.28**	**162.29**	**3,346.77**	**2,777.69**	**7.42**	**150.52**	**2,935.63**

More information regarding the valuation methodologies can be found in Note 52.09.
There is no investments measured at FVOCI or designated at FVTPL.
* The Company received dividend of Rs. Nil (March 31, 2020: Rs. 0.19 crores) from its investments measured at fair value through profit or loss, recorded as dividend income.

13 INVESTMENTS (Contd.)

Investments carried at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system for investments carried at amortised cost are explained in note 53.02.

(Rs. in crores)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	3,214.21	-	-	**3,214.21**	2,767.25	-	-	**2,767.25**
Standard grade	-	-	-	-	-	-	-	-
Non-performing	-	-	-	-	-	-	-	-
Individually Impaired	-	-	-	-	-	52.67	-	**52.67**
Total	**3,214.21**	-	-	**3,214.21**	**2,767.25**	**52.67**	-	**2,819.92**

An analysis of changes in gross carrying amount and the corresponding ECLs on investments carried at amortised cost which are subject to ECL is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	2,767.25	52.67	-	**2,819.92**	2,425.63	-	-	**2,425.63**
New assets originated or purchased	1,093.04	2.08	-	**1,095.12**	1,190.59	-	-	**1,190.59**
Assets derecognised or matured (excluding write-offs)	(646.08)	(54.75)	-	**(700.83)**	(796.51)	-	-	**(796.51)**
Change in fair value	-	-	-	-	0.21	-	-	**0.21**
Transfers to stage 2	-	-	-	-	(52.67)	52.67	-	-
Closing balance	**3,214.21**	-	-	**3,214.21**	**2,767.25**	**52.67**	-	**2,819.92**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**23.79**	**18.44**	-	**42.23**	**0.01**	-	-	**0.01**
New assets originated or purchased	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	(0.01)	0.01	-	-
Unwinding of discount (recognised in interest income)	-	-	-	-	-	0.93	-	**0.93**
Changes to models and inputs used for ECL calculations	14.22	-	-	**14.22**	23.79	17.50	-	**41.29**
Recoveries	-	(18.44)	-	**(18.44)**	-	-	-	-
Closing balance in ECL	**38.01**	-	-	**38.01**	**23.79**	**18.44**	-	**42.23**

13 INVESTMENTS (Contd.)

Reconciliation of gross carrying value of investment in associate is given below:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	**150.52**	**139.84**
Share of profit of associate	11.57	10.43
Share of other comprehensive income from associates (net of tax)	0.20	0.25
Closing balance	**162.29**	**150.52**

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
14 OTHER FINANCIAL ASSETS		
Security deposits *	46.96	38.70
Other financial assets	2.07	-
Total	**49.03**	**38.70**

* Net of allowance for impairment loss recognised on security deposit Rs. 0.51 crores (March 31, 2020: Rs. 0.60 crores).

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
15 CURRENT TAX ASSETS (NET)		
Advance income tax [net of provision for income tax Rs. 5,168.83 crores (March 31, 2020: Rs. 2,910.66 crores)]	171.73	249.10
Total	**171.73**	**249.10**

(Rs. in crores)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Freehold Land	Buildings	Total	Freehold Land	Buildings	Total
16 INVESTMENT PROPERTY						
Gross block at cost						
Opening balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Accumulated depreciation						
Opening balance	**-**	**0.12**	**0.12**	**-**	**0.09**	**0.09**
Depreciation charge for the year	-	0.03	**0.03**	-	0.03	**0.03**
Disposals	-	-	-	-	-	-
Closing balance	**-**	**0.15**	**0.15**	**-**	**0.12**	**0.12**
Net carrying amount	**0.70**	**1.30**	**2.00**	**0.70**	**1.33**	**2.03**

16 INVESTMENT PROPERTY (Contd.)

(i) Amounts recognised in Statement of Profit and Loss for Investment property

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rental income from investment property	0.21	0.22
Direct operating expenses arising from investment property that generated rental income during the year	0.02	0.06
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-
Profit from investment property before depreciation	**0.19**	**0.16**
Depreciation charge for the year	0.03	0.03
Profit from investment property after depreciation	**0.16**	**0.13**

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The fair value of the investment property as at March 31, 2021 is Rs. 6.12 crores (March 31, 2020: Rs. 6.43 crores).

(iv) Pledged details

Investment property is not pledged.

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) Leasing arrangements

Investment properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

17 PROPERTY, PLANT AND EQUIPMENT

(Rs. in crores)

Particulars	Freehold Land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total
Gross block at cost									
As at April 01, 2019	**0.65**	**2.39**	**9.78**	**44.87**	**24.62**	**25.80**	**0.27**	**88.38**	**196.76**
Additions	-	-	1.53	17.66	9.12	5.38	-	22.74	**56.43**
Disposals	0.06	-	0.29	8.24	2.15	0.78	0.02	6.13	**17.67**
Adjustment*	-	-	0.07	-	-	0.29	-	(0.36)	**-**
As at March 31, 2020	**0.59**	**2.39**	**11.09**	**54.29**	**31.59**	**30.69**	**0.25**	**104.63**	**235.52**
Additions	-	-	0.70	10.03	2.61	1.58	-	9.49	**24.41**
Disposals	-	-	0.43	7.48	1.96	0.94	-	4.93	**15.74**
As at March 31, 2021	**0.59**	**2.39**	**11.36**	**56.84**	**32.24**	**31.33**	**0.25**	**109.19**	**244.19**
Accumulated depreciation and impairment losses									
As at April 01, 2019	**-**	**(0.08)**	**1.56**	**10.80**	**8.17**	**3.80**	**(0.15)**	**29.20**	**53.30**
Charge for the year	-	0.05	1.47	15.56	5.49	3.28	0.07	22.66	**48.58**
Disposals	-	-	0.23	7.44	1.98	0.66	0.01	5.92	**16.24**
Adjustment*	-	-	0.02	-	-	0.10	-	(0.12)	**-**
As at March 31, 2020	**-**	**(0.03)**	**2.82**	**18.92**	**11.68**	**6.52**	**(0.09)**	**45.82**	**85.64**
Charge for the year	-	0.05	1.54	15.50	5.67	3.48	0.08	21.94	**48.26**
Disposals	-	-	0.37	6.49	1.80	0.82	-	4.68	**14.16**
As at March 31, 2021	**-**	**0.02**	**3.99**	**27.93**	**15.55**	**9.18**	**(0.01)**	**63.08**	**119.74**
Net carrying amount as at March 31, 2020	**0.59**	**2.42**	**8.27**	**35.37**	**19.91**	**24.17**	**0.34**	**58.81**	**149.88**
Net carrying amount as at March 31, 2021	**0.59**	**2.37**	**7.37**	**28.91**	**16.69**	**22.15**	**0.26**	**46.11**	**124.45**

* Adjustment is on account of regrouping of property, plant and equipment and other intangible assets.

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2021 is Rs. 0.35 crores (March 31, 2020: Rs. 0.36 crores).

18 LEASES

A] This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in the balance sheet

The Balance sheet shows the following amounts relating to leases

Right-of-use assets

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Office premises		
Opening balance	**334.29**	-
Right-of-use assets on transition	-	**371.83**
Additions	62.80	71.36
Depreciation charge for the year	(87.73)	(91.17)
Deletions	(0.85)	(17.73)
Net carrying amount	**308.51**	**334.29**

Lease liabilities

Maturity analysis of lease liabilities

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 1 year	74.29	80.97
1 to 2 years	68.40	74.50
2 to 3 years	57.31	61.40
3 to 4 years	46.24	47.99
4 to 5 years	28.32	35.80
More than 5 years	74.93	62.15
Total	**349.49**	**362.81**

The Company has taken various office premises under lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
(ii)	**Amounts recognised in the Statement of Profit and Loss**		
	Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	87.73	91.17
	Interest expense (included in finance costs)	32.06	33.73
	Expense relating to short-term leases (included in other expenses)	9.24	9.88
	Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	2.13	2.78
	Expense relating to variable lease payments not included in lease liabilities (included in other expenses).	-	-
	The Company had remeasured lease liability in respect of certain leases during the year and income on such remeasurement of leases as per Ind AS 116 is included in other income	2.66	-
	Income from subleasing right-of-use assets (included in other income)	7.94	8.61
(iii)	**Gains or losses arising from sale and leaseback transactions**	-	-
(iv)	**The total cash outflow for leases during the year**	96.16	110.46

18 LEASES (Contd.)

The weighted average incremental borrowing rate of 9.09% has been applied to lease liabilities recognised in the balance sheet as at April 01, 2019.

The difference between the operating lease commitments disclosed applying Ind AS 17 as of March 31, 2019 and the value of the lease liability arrived using the incremental borrowing rate as of April 01, 2019 is primarily on account of exclusion of short term leases in measuring the lease liability in accordance with Ind AS 116.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

B] This note provides information for leases where the Company is a lessor.

The Company had given office premises under lease. The income from lease recognised in the statement of profit and loss are Rs. 0.21 crore (March 31, 2020: Rs. 0.22 crore). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

Future minimum lease receivables under non-cancellable leases as at March 31, 2021 are as follows:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Within one year	0.17	0.16
After one year but not more than five years	0.25	0.42
More than five years	-	-
Total	**0.42**	**0.58**

(Rs. in crores)

Particulars	Computer software
19 OTHER INTANGIBLE ASSETS #	
Gross block at cost	
As at April 01, 2019	**2.06**
Additions	1.96
Disposals	-
As at March 31, 2020	**4.02**
Additions	1.06
Disposals	-
As at March 31, 2021	**5.08**
Accumulated amortisation and impairment losses	
As at April 01, 2019	**0.09**
Charge for the year	1.26
Disposals	-
As at March 31, 2020	**1.35**
Charge for the year	1.34
Disposals	0.00
As at March 31, 2021	**2.69**
Net carrying amount as at March 31, 2020	**2.67**
Net carrying amount as at March 31, 2021	**2.39**

Other than internally generated

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
20	**OTHER NON-FINANCIAL ASSETS**		
	Goods and services tax credit (input) receivable	100.96	66.86
	Prepaid expenses	7.80	8.21
	Capital advances	1.00	0.86
	Duties paid under protest	96.40	86.40
	Other non-financial assets	4.68	7.24
	Total	**210.84**	**169.57**

21 PAYABLES

Trade payables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	-	0.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises *	255.51	143.44
Total	**255.51**	**143.84**

*Includes payable to associate Rs. 1.23 crores (March 31, 2020: Rs. 0.41 crores).

Other payables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	0.37	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.54	1.13
Total	**0.91**	**1.13**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
22	**DEBT SECURITIES**		
	At amortised cost		
	Secured		
	Redeemable non-convertible debentures		
	- Public issue ¥	5,776.24	5,796.78
	- Privately placed ¥¥	15,153.29	14,204.14
	External commercial bond	17,779.55	12,607.01
	Senior secured notes	888.35	1,204.92
	Unsecured		
	Redeemable non-convertible debentures		
	- Privately placed	464.44	454.11
	Total	**40,061.87**	**34,266.96**
	Debt securities in India	21,393.97	20,455.03
	Debt securities outside India	18,667.90	13,811.93
	Total	**40,061.87**	**34,266.96**

¥ includes Rs. 69.20 crores (March 31, 2020 Rs. 40.50 crores) issued to related parties including Directors.

¥¥ includes Rs. 10.01 crores (March 31, 2020 Rs. Nil crores) issued to related parties.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
23	**BORROWINGS (OTHER THAN DEBT SECURITIES)**		
	At amortised cost		
	Secured		
	Term loan from banks - INR	13,304.70	13,259.27
	Term loan from financial institutions/corporates - INR	3,783.20	1,446.29
	External commercial borrowing - FCNR	4,122.49	4,300.61
	Loans repayable on demand from banks (Cash credit from banks)	667.38	2,016.39
	Other loans - INR -Securitisation liabilities	23,403.60	21,452.04
	Total	**45,281.37**	**42,474.60**
	Borrowings in India	41,158.88	38,173.99
	Borrowings outside India	4,122.49	4,300.61
	Total	**45,281.37**	**42,474.60**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
24	**DEPOSITS**		
	At amortised cost		
	Unsecured		
	Deposits		
	i. Public deposits (refer note 65) *	15,790.71	11,768.48
	ii. Deposits from corporates **	392.11	152.22
	iii. Inter-corporate deposits ***	49.59	39.42
	Total	**16,232.41**	**11,960.12**

* includes Rs. 1.89 crores (March 31, 2020 Rs. 1.58 crores) accepted from related parties including Director.

** includes Rs. 34.34 crores (March 31, 2020 Rs. 1.55 crores) accepted from related parties.

*** includes Rs. 49.59 crores (March 31, 2020 Rs. 39.42 crores) accepted from associate.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
25	**SUBORDINATED LIABILITIES**		
	At amortised cost		
	Unsecured		
	Subordinated debts - Debentures #	4,620.76	5,138.00
	Subordinated debts - Bonds ##	-	532.07
	Total	**4,620.76**	**5,670.07**
	Subordinated debts in India	4,620.76	5,670.07
	Subordinated debts outside India	-	-
	Total	**4,620.76**	**5,670.07**

includes Rs. 495.36 crores (March 31, 2020 Rs. 422.20 crores) issued to related parties.

includes Rs. Nil (March 31, 2020 Rs. 3.17 crores) issued to related parties.

The Company has not defaulted in the repayment of dues to its lenders.

I DEBT SECURITIES

A) Redeemable non-convertible debenture (NCD) -secured

i) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2013)-2

Terms of repayment as on March 31, 2021

Outstanding as on March 31, 2021: Nil

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	-	104.94	-	**104.94**
Total	**-**	**104.94**	**-**	**104.94**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 500.00 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

As per the terms of the issue NCD 2013 (2) Rs. 91.30 crores were redeemed on October 23, 2020.

As per the terms of the issue NCD 2013 (2) Rs. 114.68 crores were redeemed on October 23, 2018.

As per the terms of the issue Rs. 294.01 crores were redeemed on October 24, 2016.

ii) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2014)

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
upto 12 months	-	240.22	-	**240.22**
Total	**-**	**240.22**	**-**	**240.22**

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	35.05	198.45	-	**233.50**
Total	**35.05**	**198.45**	**-**	**233.50**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 1,974.85 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

As per the terms of the issue Rs. 427.15 crores were redeemed on July 15, 2019.

As per the terms of the issue Rs. 1,348.33 crores were redeemed on July 15, 2017.

I DEBT SECURITIES (Contd.)

iii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 1)

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	497.03	-	-	**497.03**
24-36 months	837.55	-	-	**837.55**
upto 12 months	2,447.63	-	-	**2,447.63**
Total	**3,782.21**	**-**	**-**	**3,782.21**

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	496.11	-	-	**496.11**
36-48 months	825.13	-	-	**825.13**
12-24 months	2,427.46	-	-	**2,427.46**
Total	**3,748.70**	**-**	**-**	**3,748.70**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 3,648.52 crores raised from public issue (net off expenses) towards repayment of borrowings as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 107.40 crores were redeemed on December 26, 2019.

iv) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 2)

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.67	-	-	**71.67**
24-36 months	263.13	-	-	**263.13**
upto 12 months	-	310.11	-	**310.11**
Total	**334.80**	**310.11**	**-**	**644.91**

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.51	-	-	**71.51**
36-48 months	262.12	-	-	**262.12**
12-24 months	-	295.02	-	**295.02**
Total	**333.63**	**295.02**	**-**	**628.65**

I DEBT SECURITIES (Contd.)

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 606.79 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

v) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 3)

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.99	-	-	**59.99**
24-36 months	237.50	-	-	**237.50**
upto 12 months	-	262.55	-	**262.55**
Total	**297.49**	**262.55**	**-**	**560.04**

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.87	-	-	**59.87**
36-48 months	232.06	-	-	**232.06**
12-24 months	-	253.76	-	**253.76**
Total	**291.93**	**253.76**	**-**	**545.69**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 537.32 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

vi) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 1)

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	20.57	43.38	-	**63.95**
36-48 months	33.67	69.12	-	**102.79**
12-24 months	41.56	90.45	-	**132.01**
upto 12 months	-	55.59	-	**55.59**
Total	**95.80**	**258.54**	**-**	**354.34**

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	20.48	41.75	-	**62.23**
48-60 months	33.47	66.95	-	**100.42**
24-36 months	41.21	86.90	-	**128.11**
12-24 months	-	54.98	-	**54.98**
Total	**95.16**	**250.58**	**-**	**345.74**

I DEBT SECURITIES (Contd.)

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 339.94 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

vii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 2)

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	26.31	-	-	**26.31**
36-48 months	66.64	-	-	**66.64**
12-24 months	78.97	22.60	-	**101.57**
Total	**171.92**	**22.60**	**-**	**194.52**

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	26.19	-	-	**26.19**
48-60 months	64.80	-	-	**64.80**
24-36 months	78.09	20.48	-	**98.57**
Total	**169.08**	**20.48**	**-**	**189.56**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 193.67 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

viii) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10% ^	>= 10% < 12% ^	>= 12% < 14%	>=14% <16%	
over 60 months	3,613.48	-	-	-	**3,613.48**
48-60 months	302.37	-	-	-	**302.37**
36-48 months	154.79	1,299.99	-	-	**1,454.78**
24-36 months ^	863.19	172.21	-	-	**1,035.40**
12-24 months^	1,970.82	1,086.19	151.27	45.73	**3,254.01**
upto 12 months ^	4,627.44	865.81	-	-	**5,493.25**
Total	**11,532.09**	**3,424.20**	**151.27**	**45.73**	**15,153.29**

^ NCD amounting to Rs. 2,692.60 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

I DEBT SECURITIES (Contd.)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10%* ¥^	>= 10% < 12% *^	>= 12% < 14%	>=14% <16%	
over 60 months	524.89	-	-	-	**524.89**
48-60 months	154.80	1,299.08	-	-	**1,453.88**
36-48 months	210.38	172.02	-	-	**382.40**
24-36 months	1,780.18	202.41	148.38	-	**2,130.97**
12-24 months ^	4,481.32	804.89	-	-	**5,286.21**
upto 12 months *¥^	4,045.92	379.87	-	-	**4,425.79**
Total	**11,197.49**	**2,858.27**	**148.38**	**-**	**14,204.14**

* Includes 1 NCD of Rs. 666.00 crores partly paid to the extent of Rs. 666,000/- (50% redeemed)

* Includes 1 NCD of Rs. 25.00 crores partly paid to the extent of Rs. 111,111.11

^NCD amounting to Rs. 1,867.30 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under (Rs. in crores)

Sr No	Rate of interest	Amount	Put/Call option date
1	8.87%	110.00	August 7, 2020
Total		**110.00**	

Nature of security

Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

(Rs. in crores)

Total non-convertible debentures- secured	As at March 31, 2021	As at March 31, 2020
Public issue (i+ii+iii+iv+v+vi+vii)	5,776.24	5,796.78
Privately placed (viii)	15,153.29	14,204.14
Total non-convertible debentures - secured	**20,929.53**	**20,000.92**

B) External commercial bond (ED) Secured

Privately Placed Redeemable External commercial bond of Rs. 100,000/- each

Terms of repayment as on March 31, 2021

(Rs. in crores)

Detail	< 10%	>= 10% < 12%	Total
24-36 months	9,182.92	-	**9,182.92**
12-24 months	5,638.17	-	**5,638.17**
upto 12 months	-	2,958.46	**2,958.46**
Total	**14,821.09**	**2,958.46**	**17,779.55**

Terms of repayment as on March 31, 2020

(Rs. in crores)

Detail	< 10%	>= 10% < 12%	Total
36-48 months	3,808.17	-	**3,808.17**
24-36 months	5,772.26	-	**5,772.26**
12-24 months	-	3,026.58	**3,026.58**
Total	**9,580.43**	**3,026.58**	**12,607.01**

I DEBT SECURITIES (Contd.)

On March 31, 2021, the Company issued and allotted USD 225,000,000 4.40% senior secured notes due 2024 in offshore market (Social Bonds) for sum of Rs.1,630.35 crores to be consolidated and form a single series with the U.S.$500,000,000 4.40 per cent Senior Secured Notes due 2024 issued on January 13, 2021 under USD 3 Billion Global Medium Term Note Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX- ST) on April 01, 2021. The proceeds of the issue of the Social Bonds are being utilised as per the Company's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations.

On January 13, 2021, the Company issued and allotted USD 500,000,000 4.40% Senior Secured Notes due 2024 in offshore market (Social Bonds) for sum of USD 499,950,000 equivalent to Rs. 3,672.50 crores under USD 3 Billion GMTN Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX-ST) on January 14, 2021. The proceeds of the issue of the Social Bonds are being utilised as per the Company's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction – External Commercial Borrowings, Trade Credits, and Structured Obligations.

During the year ended March 31, 2020, the Company issued and allotted USD 250,000,000 5.3750% senior secured notes due 2022 in offshore market (notes) equivalent to Rs. 1,714.38 crores under USD 2,000,000,000 Global Medium Term Note Programme. The said notes are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the notes have been utilised for the purpose of onward lending and other activities as may be permitted by the ECB Directions.

During the year ended March 31, 2020, the Company issued and allotted USD 500,000,000 5.100% senior secured notes due 2023 in offshore market (Social Bonds) equivalent to Rs. 3,541.75 crores under USD 3,000,000,000 Global Medium Term Note Programme. The said Social Bonds are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the Social Bonds have been utilised for the purpose of onward lending and other activities as per the Company's Social Finance Framework and as may be permitted by the ECB Directions.

During the year ended March 31, 2019, the Company issued and allotted senior secured notes in offshore market (notes) aggregating to INR 2,849.90 crores consisting of 5.70% notes due 2022 under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue have been utilised for the purpose of onward disbursements.

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

C) Senior secured notes

Senior secured notes of Rs. 10,000,000/- each

Terms of repayment

(Rs. in crores)

Detail	Rate of interest	As at March 31, 2021	As at March 31, 2020
36-48 months	<10%	-	885.54
24-36 months	<10%	888.35	-
12-24 months	<10%	-	-
upto 12 months	<10%	-	319.38
Total		**888.35**	**1,204.92**

During the year ended March 31, 2018, the Company had issued senior secured notes in offshore market (notes) aggregating to INR 1,160 crores consisting of INR 840 crores 8.10% notes due 2023 and INR 320 crores 7.90% notes due 2021 payable in US dollars under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST).

The Company had utilised the entire sum of Rs. 1,160.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

During the year ended March 31, 2017, the Company had issued Rs. 1,350.00 crores 8.25 % senior secured notes at the price of 100.18% that are due for repayment on February 18, 2020. The said notes (with ISIN - XS 1549374475) are listed and traded on the Singapore Exchange (SGX-ST) with a minimum board lot size of S $200,000.

I DEBT SECURITIES (Contd.)

The Company had utilised the entire sum of Rs. 1,350.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

As per the terms of the issue, Rs. 1,350.00 crores were redeemed on February 18, 2020. .

As per the terms of the issue, Rs. 320.00 crores were redeemed on March 12, 2021.

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

D) Redeemable non-convertible debenture (NCD) -unsecured

i) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
36-48 months	-	-	464.44	**464.44**
Total	-	-	**464.44**	**464.44**

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
48-60 months	-	-	454.11	**454.11**
Total	-	-	**454.11**	**454.11**

II BORROWINGS (other than debt securities)

A) Term loans from banks -secured (INR)

As at March 31, 2021

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	7.73% to 8.71%	20 to 60 instalments of monthly and quarterly frequency	1,345.25
36-48 months	8.15% to 10.98%	20 to 48 instalments of monthly, quarterly and specific frequency	2,809.75
24-36 months	7.00% to 10.10%	1 to 36 instalments of bullet and quarterly frequency	2,150.23
12-24 months	7.30% to 10.07%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	1,536.39
upto 12 months	6.65% to 10.01%	1 to 20 instalments of bullet, quarterly and specific frequency	5,463.08
Total			**13,304.70**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (other than debt securities) (Contd.)

As at March 31, 2020

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.50% to 9.50%	20 instalments of quarterly frequency	2,265.25
36-48 months	8.91% to 9.68%	20 instalments of quarterly frequency	583.49
24-36 months	8.11% to 9.63%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	2,469.48
12-24 months	7.00% to 9.90%	1 to 20 instalments of bullet, quarterly and specific frequency	3,112.87
upto 12 months	7.47% to 12.25%	1 to 36 instalments of bullet, monthly, quarterly, half-yearly and specific frequency	4,828.18
Total			**13,259.27**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

B) Term loans from financial institutions/corporates -secured (INR)

As at March 31, 2021

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.95%	20 instalments of quarterly frequency	389.57
48-60 months	8.23% to 9.00%	20 instalments of quarterly frequency	2,385.43
36-48 months	10.20%	11 instalments of specific frequency	130.11
24-36 months	9.70% to 10.50%	11 to 12 instalments of quarterly and specific frequency	404.35
12-24 months	7.02% to 9.01%	11 to 20 instalments of quarterly and specific frequency	343.41
upto 12 months	6.21% to 6.31%	1 to 9 instalments of bullet and monthly frequency	130.33
Total			**3,783.20**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2020

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	10.20%	11 instalments of specific frequency	227.76
36-48 months	10.50%	11 instalments of specific frequency	461.02
12-24 months	7.95% to 9.21%	11 to 20 instalments of quarterly and specific frequency	646.94
upto 12 months	8.60% to 9.29%	1 to 20 instalments of bullet and quarterly frequency	110.57
Total			**1,446.29**

Loans are classified in respective time buckets based on option date.

II BORROWINGS (other than debt securities) (Contd.)

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

C) External commercial borrowing

As at March 31, 2021

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	4.59% to 10.87%	11 to 13 instalments of half-yearly and specific frequency	1,566.94
24-36 months	9.83% to 10.02%	Bullet frequency	2,555.55
Total			**4,122.49**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.63% to 11.06%	11 to 13 instalments of half-yearly and specific frequency	1,694.61
36-48 months	9.83% to 10.02%	Bullet frequency	2,606.00
Total			**4,300.61**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

D) Loans repayable on demand from banks (Cash credit from banks)

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2021
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.20% to 11.70%	667.38
Total		**667.38**

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2020
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.00 % to 11.40 %	2,016.39
Total		**2,016.39**

II BORROWINGS (other than debt securities) (Contd.)

E) Other loans - INR -Securitisation liabilities

As at March 31, 2021

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.93% to 9.98%	1 to 88 instalments monthly frequency	3,297.86
48-60 months	8.38% to 11.15%	1 to 69 instalments monthly frequency	8,056.62
36 - 48 months	7.99% to 11.00%	1 to 63 instalments monthly frequency	7,347.62
24 - 36 months	8.31% to 10.53%	1 to 61 instalments monthly frequency	3,482.40
12 - 24 months	6.90% to 8.84%	1 to 60 instalments monthly frequency	1,219.10
Total			**23,403.60**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
above 60 months	9.40% to 10.02%	1 to 57 instalments monthly frequency	676.13
48-60 months	7.99% to 10.97%	1 to 63 instalments monthly frequency	9,882.22
36 - 48 months	8.32% to 10.56%	1 to 61 instalments monthly frequency	6,053.47
24 - 36 months	6.90% to 8.87%	1 to 60 instalments monthly frequency	2,526.03
12 - 24 months	7.00% to 7.53%	1 to 55 instalments monthly frequency	303.11
upto 12 months	8.28% to 10.21%	1 to 57 instalments monthly frequency	2,011.08
Total			**21,452.04**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

III DEPOSITS

A) Deposits from public - unsecured -[refer note 65]

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,906.84	-	**1,906.84**
36-48 months	1,122.74	-	**1,122.74**
24-36 months	3,967.54	-	**3,967.54**
12-24 months	3,595.91	-	**3,595.91**
upto 12 months	5,197.68	-	**5,197.68**
Total	**15,790.71**	**-**	**15,790.71**

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,010.22	-	**1,010.22**
36-48 months	1,140.06	-	**1,140.06**
24-36 months	3,089.58	-	**3,089.58**
12-24 months	3,766.77	-	**3,766.77**
upto 12 months	2,761.85	-	**2,761.85**
Total	**11,768.48**	**-**	**11,768.48**

III DEPOSITS (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Deposits from public	15,790.71	11,768.48

B) Deposits from corporates - unsecured

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	13.33	-	**13.33**
36-48 months	4.73	-	**4.73**
24-36 months	87.95	-	**87.95**
12-24 months	38.44	-	**38.44**
upto 12 months	247.66	-	**247.66**
Total	**392.11**	**-**	**392.11**

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	4.53	-	**4.53**
36-48 months	2.16	-	**2.16**
24-36 months	18.08	-	**18.08**
12-24 months	71.44	-	**71.44**
upto 12 months	56.01	-	**56.01**
Total	**152.22**	**-**	**152.22**

C) Inter-corporate deposits (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2021
upto 12 months	7.50%	Bullet repayment	49.59
Total			**49.59**

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2020
upto 12 months	7.50%	Bullet repayment	39.42
Total			**39.42**

IV SUBORDINATED LIABILITIES

A) Subordinated liabilities -unsecured - Bonds

i) Privately placed subordinated debts of Rs. 1,000/- each

Terms of repayment as on March 31, 2021

Outstanding as on March 31, 2021: Nil

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	532.07	-	**532.07**
Total	**-**	**532.07**	**-**	**532.07**

IV SUBORDINATED LIABILITIES (Contd.)

(Rs. in crores)

Subordinated liabilities (unsecured) - Bonds	As at March 31, 2021	As at March 31, 2020
Privately placed	-	532.07
Total Subordinated liabilities (unsecured) - Bonds	**-**	**532.07**

B) Subordinated liabilities -unsecured - Debentures

i) Privately placed subordinated liabilities of Rs. 100,000/- each

Terms of repayment as on March 31, 2021

Outstanding as on March 31, 2021: Nil

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	74.94	-	**74.94**
Total	-	**74.94**	-	**74.94**

ii) Privately placed subordinated liabilities of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,531.88	78.89	-	**1,610.77**
48-60 months	39.82	56.79	-	**96.61**
36-48 months	41.00	536.25	1,642.51	**2,219.76**
24-36 months	-	332.62	-	**332.62**
12-24 months	-	309.06	-	**309.06**
upto 12 months	-	-	51.94	**51.94**
Total	**1,612.70**	**1,313.61**	**1,694.45**	**4,620.76**

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,570.91	135.51	-	**1,706.42**
48-60 months	40.97	531.22	1,609.30	**2,181.49**
36-48 months	-	332.37	-	**332.37**
24-36 months	-	308.85	-	**308.85**
12-24 months	-	-	51.86	**51.86**
upto 12 months	-	482.07	-	**482.07**
Total	**1,611.88**	**1,790.02**	**1,661.16**	**5,063.06**

(Rs. in crores)

Subordinated liabilities (unsecured) - Debentures	As at March 31, 2021	As at March 31, 2020
Privately placed (i+ii)	4,620.76	5,138.00
Total Subordinated liabilities (unsecured) - Debentures	**4,620.76**	**5,138.00**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
26	**OTHER FINANCIAL LIABILITIES**		
	Investor education and protection fund shall be credited by the following amounts (as and when due)		
	- Unclaimed dividend	9.81	10.57
	- Unclaimed matured deposits and interest accrued thereon	106.74	150.02
	- Unclaimed matured debentures and interest accrued thereon	15.62	15.45
	- Unclaimed matured subordinated debts and interest accrued thereon	36.43	81.69
	Temporary credit balance in bank accounts	57.27	26.63
	Payable on account of assignment	178.07	78.78
	Payable to dealers	2.63	0.99
	Payable to employees	134.51	146.41
	Retention money and other sundry liabilities	156.69	217.27
	Interim dividend payable	151.84	-
	Other liabilities *	114.74	184.51
	Total	**964.35**	**912.32**

* Other liabilities include amount payable to Banks for credit card payments, settlement dues payable to resigned employees, etc,.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
27	**CURRENT TAX LIABILITIES (NET)**		
	For taxation [net of advance tax Rs. 3.10 crores (March 31, 2020: Rs. 1,077.82 crores)]	102.02	102.02
	Total	**102.02**	**102.02**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
28	**PROVISIONS**		
	For employee benefits		
	For gratuity (refer note 46)	2.07	3.37
	For compensated absences (leave encashment and availment)	37.02	34.06
	For others		
	For undrawn loan commitment	10.70	16.15
	For taxes- contested	92.75	92.75
	Total	**142.54**	**146.33**

28 PROVISIONS (Contd.)

Loan commitments

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53.02.02.06.

(Rs. in crores)

Particulars	As at March 31, 2021 Stage 1 Collective	As at March 31, 2020 Stage 1 Collective
Internal rating grade		
Performing		
High grade	148.66	311.87
Total	**148.66**	**311.87**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

(Rs. in crores)

Particulars	Year ended March 31, 2021 Stage 1	Year ended March 31, 2020 Stage 1
Opening balance of outstanding exposure	311.87	471.92
New exposures	88.39	233.39
Exposures cancelled or disbursed (excluding writeoffs)	(251.60)	(393.44)
Closing balance of outstanding exposure	**148.66**	**311.87**

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2021 General approach Stage 1	Year ended March 31, 2020 General approach Stage 1
ECL allowance - opening balance	16.15	11.76
New exposures	5.13	10.78
Exposures cancelled or disbursed (excluding writeoffs)	(10.58)	(6.39)
ECL allowance - closing balance	**10.70**	**16.15**

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
29 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues payable	85.45	73.96
Advance from customers	13.81	9.32
Total	**99.26**	**83.28**

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
30 EQUITY SHARE CAPITAL		
Authorised:		
647,000,000 (March 31, 2020: 647,000,000) equity shares of Rs.10/- each	647.00	647.00
95,000,000 (March 31, 2020: 95,000,000) preference shares of Rs.100/- each	950.00	950.00
	1,597.00	**1,597.00**
Issued share capital		
253,067,654 (March 31, 2020: 226,888,877) equity shares of Rs. 10/- each	253.07	226.89
Subscribed share capital		
253,061,513 (March 31, 2020: 226,882,736) equity shares of Rs. 10/- each	253.06	226.88
Paid up (fully paid up)		
Equity shares		
253,061,513 (March 31, 2020: 226,882,736) equity shares of Rs. 10/- each fully paid up	253.06	226.88
	253.06	**226.88**
Nil [March 31, 2020: Nil; equity shares of Rs.10/- each (Rs. 5/- each paid up forfeited)] *	-	-
Total Equity	**253.06**	**226.88**

* The shareholders in their 40th annual general meeting held on June 27, 2019 considered and approved the cancellation of the forfeited shares from the issued and subscribed share capital of the Company.

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2019	**226,882,736**	**226.88**
Issued during the year	-	-
As at March 31, 2020	**226,882,736**	**226.88**
Issued during the year #	26,178,777	26.18
As at March 31, 2021	**253,061,513**	**253.06**

On August 06, 2020, the Company allotted fully paid-up 261,78,777 Equity Shares of face value of Rs. 10/- each to the eligible equity shareholders at an issue price of Rs. 570/- per Equity Share (including premium of Rs. 560/- per Equity Share) in the Rights Issue, which opened on July 16, 2020 and closed on July 30, 2020. The entire proceeds of the Rights Issue have been utilised as per the objects stated in the offer document for the Rights issue. The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by Rs. 26.18 crores and securities premium reserve by Rs. 1,446.46 crores (net of share issue expenses of Rs. 19.55 crores).

30 EQUITY SHARE CAPITAL (Contd.)

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2021, the total dividend per equity share proposed for distribution to equity shareholders is Rs. 18.00 (March 31, 2020 : Rs. 5.00). Out of the said total dividend proposed for the year ended March 31, 2021, the total amount of interim dividend declared during the year was Rs. 12.00 (March 31, 2020 : Rs. 5.00) per equity share and amount of final dividend proposed by the Board of Directors is Rs. 6.00 (March 31, 2020: Rs. Nil) per equity share. The Board of Directors at its meeting held on October 29, 2020, had declared interim dividend of Rs. 6 /- per equity share of Rs. 10/- each for the financial year 2020-2021. The payment was made on November 26, 2020. The Board of Directors at its meeting held on March 25, 2021, had declared interim dividend of Rs. 6 /- per equity share of Rs. 10/- each for the financial year 2020-2021. The payment was made on April 16, 2021.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Nil.

d. Details of shareholders holding more than 5% equity shares in the Company

Details of shareholding	As at March 31, 2021		As at March 31, 2020	
Name of the shareholder	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10/- each				
Shriram Capital Limited	66,964,947	26.46%	59,504,947	26.23%

e. Refer note 51- Capital management for the Company's objectives, policies and processes for managing capital

f. Proposed dividends on equity shares:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Proposed dividend on equity shares for the year ended on March 31, 2021: Rs. 6.00 per share (March 31, 2020: Rs. Nil per share)	151.84	-
Total	**151.84**	-

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
31	**OTHER EQUITY**		
	Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
	Opening balance	**3,668.93**	**3,168.55**
	Add: Transfer from retained earnings	497.46	500.38
	Closing balance	**4,166.39**	**3,668.93**
	Securities premium		
	Opening balance	**1,754.81**	**1,754.81**
	Add: Premium on shares issued during the year	1,466.01	-
	Less: Rights issue expenses	(19.55)	-
	Closing balance	**3,201.27**	**1,754.81**
	Capital reserve		
	Opening balance	**27.64**	**27.62**
	Add: Transfer from share forfeiture account	-	0.02
	Closing balance	**27.64**	**27.64**
	Capital redemption Reserve	**53.88**	**53.88**
	Debenture redemption Reserve		
	Opening balance	**610.41**	**374.62**
	Add: Transfer from retained earnings	337.87	345.26
	Less: Transfer to retained earnings on account of redemption	(26.87)	(109.47)
	Closing balance	**921.41**	**610.41**
	General reserve		
	Opening balance	**2,414.54**	**2,164.35**
	Add: Transfer from retained earnings	248.73	250.19
	Closing balance	**2,663.27**	**2,414.54**
	Other comprehensive income		
	Opening balance	**(9.32)**	**(4.83)**
	Add: Remeasurement gain/(loss) on defined benefit plan (net of tax)	-	**(4.74)**
	Add : Gain/(loss) on effective portion of hedging instruments in a cash flow hedge (net of tax)	**(93.02)**	-
	Add: Share of other comprehensive income from associates (net of tax)	0.20	0.25
	Closing balance	**(102.14)**	**(9.32)**
	Retained earnings		
	Opening balance	**9,394.54**	**8,196.85**
	Add: Profit for the current year	2,498.83	2,512.27
	Add /(Less): Appropriations		
	Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(497.46)	(500.38)
	Transfer to general reserve	(248.73)	(250.19)
	Transfer to debenture redemption reserve	(311.00)	(235.79)
	Interim dividend	(303.67)	(113.44)
	Tax on interim dividend	-	(23.32)
	Final dividend	-	(158.82)
	Tax on final dividend	-	(32.64)
	Total appropriations	**(1,360.86)**	**(1,314.58)**
	Retained earnings	**10,532.51**	**9,394.54**
	Total	**21,464.23**	**17,915.43**

Nature and purpose of reserves

Securities premium account: The amount received in excess of face value of the equity shares is recognised in Securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

Capital redemption reserve: The Company has recognised Capital redemption reserve on redemption of non-convertible redeemable preference shares from its retained earnings. The amount in Capital redemption reserve is equal to nominal amount of the non-convertible redeemable preference shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve.

31 OTHER EQUITY (Contd.)

Debenture redemption reserve:

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture redemption reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the Balance sheet date.

(2) As per the notification G.S.R. 574(E) dated August 16, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR need not be created for debentures issued by a Non-Banking Finance Company subsequent to the notification date. The Company has not created DRR on public issue of non-convertible debentures issued after the date of said notification.

(3) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 337.87 crores (March 31, 2020: Rs. 345.26 crores). The Company subsequent to the year end has deposited a sum of Rs. 498.41 crores (March 31, 2020: Rs. 15.84 crores) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

(4) On redemption of the debentures for which the DRR is created, the amounts no longer necessary to be retained in this account need to be transferred to the Retained earnings.

General reserve: Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory reserve: Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Other comprehensive income: Other comprehensive income includes cash flow hedge reserve and remeasurement gain/(loss) on defined benefit plan.

a) Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to the statement of profit and loss only when the hedged transaction affects the statement of profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

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

(Rs. in crores)

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
32 INTEREST INCOME						
Interest on loans	16,611.31	-	**16,611.31**	15,690.72	-	**15,690.72**
Interest income from investments	264.82	3.75	**268.57**	214.53	1.00	**215.53**
Interest on deposits with banks						
- Margin money deposit	137.34	-	**137.34**	208.75	-	**208.75**
- Deposits with banks	37.22	-	**37.22**	66.95	-	**66.95**
Other interest income						
- delayed payments by customers	42.40	-	**42.40**	60.52	-	**60.52**
- unwinding of security deposit	3.07	-	**3.07**	3.05	-	**3.05**
- direct assignment	28.23	-	**28.23**	21.94	-	**21.94**
Total	**17,124.39**	**3.75**	**17,128.14**	**16,266.46**	**1.00**	**16,267.46**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
33 FEE AND COMMISSION INCOME		
Income from commission services- life insurance	20.66	20.39
Income from commission services- general insurance	54.36	63.58
Income from loan related and other commission services	40.84	111.00
Total	**115.86**	**194.97**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Type of services or service		
Fee and commission income	115.86	194.97
Total revenue from contract with customers	**115.86**	**194.97**
Geographical markets		
India	115.86	194.97
Outside India	-	-
Total revenue from contract with customers	**115.86**	**194.97**
Timing of revenue recognition		
Services transferred at a point in time	115.86	194.97
Services transferred over time	-	-
Total revenue from contracts with customers	**115.86**	**194.97**

33 FEE AND COMMISSION INCOME (Contd.)

Contract balance

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	8.92	10.50
Contract assets	-	-

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
34 NET GAIN/ (LOSS) ON FAIR VALUE CHANGES		
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others:		
- Investment in shares, venture capital fund, mutual funds and certificate of deposits	22.87	17.80
- Direct assignment	(1.07)	-
- Derivatives	-	(5.88)
Total Net gain/(loss) on fair value changes (C)	**21.80**	**11.92**
Fair value changes:		
- Realised	20.02	18.67
- Unrealised	1.78	(6.75)
Total Net gain/(loss) on fair value changes(D)	**21.80**	**11.92**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
35 OTHER OPERATING INCOME		
Bad debt recovery	95.59	80.73
Total	**95.59**	**80.73**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
36 OTHER INCOME		
Interest on income tax refund	-	5.80
Interest others	1.74	-
Profit on sale of property, plant and equipment	-	1.17
Miscellaneous income	14.21	13.30
Total	**15.95**	**20.27**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
37	**FINANCE COSTS**		
	On Financial liabilities measured at amortised cost		
	Interest on deposits	1,169.47	973.80
	Interest on borrowings (other than debt securities)		
	- Loans from banks	1,239.18	1,251.44
	- Loans from institutions and others	153.59	217.98
	- External commercial borrowings	381.57	461.83
	- Interest paid on securitisation	2,161.71	1,743.54
	Interest on debt securities		
	- Debentures	1,768.36	1,950.39
	- Senior secured notes	102.06	214.37
	- External commercial bond	1,517.36	656.82
	- Commercial paper	3.63	104.50
	Interest on subordinated liabilities	525.27	661.86
	Other interest expense		
	- Interest on lease liability	32.06	33.73
	Total	**9,054.26**	**8,270.26**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
38	**FEE AND COMMISSION EXPENSE**		
	Brokerage	31.34	9.23
	Professional charges-resource mobilisation	28.47	29.29
	Processing charges on loans	1.85	1.89
	Professional charges on securitisation	17.23	16.47
	Total	**78.89**	**56.88**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
39	**IMPAIRMENT ON FINANCIAL INSTRUMENTS**		
	On financial instruments measured at amortised cost		
	Loans (refer note 63)*	3,128.29	2,748.87
	Investments	(4.22)	42.22
	Others		
	Undrawn commitments	(5.45)	4.39
	Other assets	(0.22)	(0.60)
	Total	**3,118.40**	**2,794.88**

* Includes loss on disposal of repossessed vehicles Rs. 557.30 crores for the year ended March 31, 2021 (March 31, 2020: Rs. 699.00 crores).

39 IMPAIRMENT ON FINANCIAL INSTRUMENTS (Contd.)

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

Year ended March 31, 2021 (Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
Loans and advances to customers	1,290.89	538.51	1,298.89	-	**3,128.29**
Debt instruments measured at amortised cost	14.22	(18.44)	-	-	**(4.22)**
Undrawn commitments	(5.45)	-	-	-	**(5.45)**
Others	-	-	-	(0.22)	**(0.22)**
Total impairment loss	**1,299.66**	**520.07**	**1,298.89**	**(0.22)**	**3,118.40**

Year ended March 31, 2020 (Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
Loans and advances to customers	1,088.82	(20.86)	1,680.91	-	**2,748.87**
Debt instruments measured at amortised cost	23.78	18.44	-	-	**42.22**
Undrawn commitments	4.39	-	-	-	**4.39**
Others	-	-	-	(0.60)	**(0.60)**
Total impairment loss	**1,116.99**	**(2.42)**	**1,680.91**	**(0.60)**	**2,794.88**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
40 EMPLOYEE BENEFITS EXPENSES		
Salaries, other allowance and bonus	829.32	926.57
Contribution to provident and other funds	53.36	53.72
Staff welfare expenses	16.62	24.99
Gratuity expenses (refer note 46)	6.95	5.54
Total	**906.25**	**1,010.82**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
41 DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Depreciation of property, plant and equipment	48.26	48.59
Depreciation of investment property	0.03	0.03
Amortisation of intangible assets	1.34	1.26
Depreciation on Right-of-use assets (refer note 18)	87.73	91.17
Total	**137.36**	**141.05**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
42 OTHER EXPENSES		
Rent (refer note 18)	9.24	9.88
Rates and taxes	5.04	2.56
Energy costs	15.21	21.08
Repairs and maintenance	58.81	56.76
Communication costs	39.97	49.17
Printing and stationery	11.57	19.33
Advertisement and publicity	2.01	14.27
Director's fees, allowances, and expenses	0.75	0.66
Auditor fees and expenses (refer note 55, 56 and 57)		
As Auditor:		
- Audit fees	0.93	0.88
- Tax audit fees	0.09	0.09
- Out of pocket	-	0.04
In any other manner:		
- Certification	0.10	0.08
Legal and professional charges	111.27	58.18
Other expenditure:		
Travelling and conveyance	95.34	123.22
Business promotion	59.30	47.71
Outsourcing expenses	76.47	75.99
Royalty	188.95	180.75
Insurance	2.07	1.38
Bank charges	34.40	43.18
Loss on sale of property, plant and equipment (net)	0.65	-
Service charges	47.95	45.67
CSR expenses (refer note 61)	64.96	53.16
Miscellaneous expenses	38.15	59.16
Total	**863.23**	**863.20**

43 INCOME TAX

The components of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are:

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	1,197.77	921.20
Adjustment in respect of current income tax of prior years	138.34	0.84
Deferred tax relating to origination and reversal of temporary differences	(545.36)	14.79
Total tax charge	**790.75**	**936.83**
Current tax	1,336.11	922.04
Deferred tax	(545.36)	14.79

43 INCOME TAX (Contd.)

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and year ended March 31, 2020 is, as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	3,278.01	3,438.67
At India's statutory income tax rate of 25.168% (2020: 25.168%)	825.01	865.44
Adjustment in respect of current income tax of prior years	138.34	0.84
Income subject to tax at special rate		
Long term capital gain on sale of property	-	(0.07)
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	16.35	13.38
Reversal of deferred tax no longer required	-	26.25
Reversal of deferred tax asset on account of adoption of new Income Tax rate	-	21.18
Adjustment in respect of prior years*	(138.34)	-
Others	(50.61)	9.81
Income tax expense reported in the statement of profit and loss	**790.75**	**936.83**

The effective income tax rate for is 24.12% (March 31, 2020: 27.24%).

* Includes adjustment on account of change in tax treatment of an item of deduction claimed in earlier assessment years under Income tax act, 1961 due to changes in facts and circumstances which has resulted in the reassessment of tax estimate as per Ind AS-12.

Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at March 31, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	22.67	-	(3.22)	-
Provision for post retirement benefits	9.84	-	(0.42)	-
Expenses allowable for tax purposes when paid	37.60	-	(0.34)	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	7.61	(6.60)	-
Cash flow hedge reserve	31.29	-	-	(31.29)
Impairment allowance on loans and advances	532.32	-	(344.27)	-
Impairment allowance for undrawn commitments	12.26	-	(2.21)	-
Fair valuation on derecognisation of financial instrument	-	11.80	11.80	-
Right-of-use assets	12.69	-	(3.88)	-
Other temporary differences	-	0.12	(196.22)	-
Total	**658.67**	**19.53**	**(545.36)**	**(31.29)**

43 INCOME TAX (Contd.)

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	19.45	-	(2.65)	-
Provision for post retirement benefits	9.42	-	(0.56)	(1.59)
Expenses allowable for tax purposes when paid	25.45	-	-	-
Reversal of deferred tax no longer required	-	-	26.25	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	14.21	(13.10)	-
Impairment allowance for undrawn commitments	10.05	-	(7.09)	-
Fair valuation of derivative financial instrument	-	1.48		-
Right-of-use assets	8.80	-	(4.78)	-
Reversal of deferred tax asset on account of adoption of new Income Tax rate	-	-	21.18	-
Other temporary differences	5.02	-	(4.45)	-
Total	**78.19**	**15.69**	**14.79**	**(1.59)**

Amounts recognised in respect of current tax / deferred tax directly in equity:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-

Tax losses

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Unused tax losses for which no deferred tax asset has been recognised	-	-

44 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net Profit after tax as per Statement of Profit and Loss (Rs. in crores) (A)	2,498.83	2,512.27
Weighted average number of equity shares for calculating basic EPS (in crores) (B)	24.63	23.29
Weighted average number of equity shares for calculating diluted EPS (in crores) (C)	24.63	23.29
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (B)	101.44	107.89
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (C)	101.44	107.89

Pursuant to Ind AS 33, basic and diluted earnings per share for the year ended March 31, 2020, has been restated for the bonus element in respect of Right Issue made during the year ended March 31, 2021.

45 INVESTMENT IN ASSOCIATES AND STRUCTURED ENTITIES

Associate of the Company is:

Name of the associate	Country of incorporation	Principal place of business	Principal activities	% equity interest March 31, 2021	% equity interest March 31, 2020
Shriram Automall India Limited (SAMIL)	India	New Delhi	Market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.	44.56%	44.56%

The Company has recognised its investment in associate under equity method and not adjusted to fair value at the end of each reporting period.

The Company's share in the associate is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2021*	Year ended March 31, 2020
(a) share in profit or loss from continuing operations.	11.57	10.43
(b) share in post-tax profit or loss from discontinued operations.	-	-
(c) share in other comprehensive income.	0.20	0.25
(d) share in total comprehensive income.	11.77	10.68

*The financial statements of the associate are as per unaudited financial statements provided by the management.

46 RETIREMENT BENEFIT PLAN

a) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs 42.95 crores (March 31, 2020: Rs. 41.06 crores) for Provident fund contributions and Rs. 10.30 crores (March 31, 2020: Rs. 12.54 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The trust is in process of investing entire funds in government securities through third party fund managers and as on March 31, 2021, 85.82 % funds are invested in government securities and balance 14.18 % funds are invested in other equity and debt instruments. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

46 RETIREMENT BENEFIT PLAN (Contd.)

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows :

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current service cost	6.73	5.45
Interest expense	4.15	3.78
Interest Income	(3.93)	(3.68)
Past service cost	-	-
Components of defined benefit costs recognised in profit or loss (A)	**6.95**	**5.55**
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(0.66)	(1.18)
Actuarial changes arising from changes in demographic assumptions	(1.40)	-
Actuarial changes arising from changes in financial assumptions	1.34	4.80
Experience adjustments	0.72	2.71
Components of defined benefit costs recognised in other comprehensive income (B)	**-**	**6.33**
Total (A+B)	**6.95**	**11.88**

Movement in the present value of the defined benefit obligation are as follows :

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	63.25	49.43
Expenses recognised in statement of profit and loss :		
Current service cost	6.73	5.45
Interest expense/(income)	4.15	3.78
Recognised in other comprehensive income remeasurement gains/(losses)	0.66	7.51
Past service cost	-	-
Liability transferred in/acquisitions	0.01	-
Benefits paid from the fund	(1.92)	(2.92)
Present value of defined obligation at the end of the year	**72.88**	**63.25**

Change in the Fair value of plan assets :

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the year	59.88	48.15
Interest income	3.93	3.68
Contributions by the employer	8.25	9.79
Benefits paid from the fund	(1.92)	(2.92)
Return on plan assets excluding interest income	0.66	1.18
Fair value of plan assets at the end of the year	**70.80**	**59.88**

46 RETIREMENT BENEFIT PLAN (Contd.)

Calculation of benefit liability/(asset) :

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation	72.88	63.25
Fair value of plan assets	70.80	59.88
Benefit liability	**2.08**	**3.37**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Expected return on plan assets	6.33%	6.56%
Rate of discounting	6.33%	6.56%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 25.00% p.a. and for service 5 years and above 6.50% p.a.	For service 4 years and below 20.00% p.a. and for service 5 years and above 7.50% p.a.
Mortality rate during employment	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

Investments quoted in active markets:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Government securities	60.76	49.00
Debt and other instruments	10.05	10.88
Total	**70.81**	**59.88**

(Rs. in crores)

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2021	Impact on defined benefit obligation March 31, 2020
Discount rate	1% increase	(5.50)	(4.47)
	1% decrease	6.37	5.14
Future salary increases	1% increase	6.32	5.10
	1% decrease	(5.55)	(4.51)
Attrition rate	1% increase	0.56	0.49
	1% decrease	(0.64)	(0.57)

46 RETIREMENT BENEFIT PLAN (Contd.)

(Rs. in crores)

Expected payment for future years	As at March 31, 2021	As at March 31, 2020
Within the next 12 months (next annual reporting period)	7.30	6.35
Between 2 and 5 years	22.48	21.74
Between 5 and 10 years	28.17	25.62
Beyond 10 years	80.13	64.26
Total expected payments	**138.08**	**117.97**

The Company expects to contribute Rs. 10.09 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2021 is 9 years (March 31, 2020: 9 years)

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

c) **Compensated Absences**

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Rate of discounting	6.33%	6.56%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	25.00%	20.00%
Service 5 years and above	6.50%	7.50%
Mortality	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Expenses recognised in statement of profit and loss	15.33	17.94

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2021.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in crores)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	11,050.93	-	**11,050.93**	3,088.99	-	**3,088.99**
Bank balance other than above	4,886.78	504.11	**5,390.89**	4,204.15	21.78	**4,225.93**
Derivative financial instruments	100.51	68.74	**169.25**	758.73	-	**758.73**
Receivables						
(I) Trade receivables	8.92	-	**8.92**	10.50	-	**10.50**
(II) Other receivables	49.90	-	**49.90**	5.64	-	**5.64**
Loans	37,930.19	70,372.85	**108,303.04**	28,287.31	73,944.32	**102,231.63**
Investments	523.21	2,823.56	**3,346.77**	361.47	2,574.16	**2,935.63**
Other financial assets	2.07	46.96	**49.03**	-	38.70	**38.70**
Non-financial Assets						
Current tax asset	-	171.73	**171.73**	-	249.10	**249.10**
Deferred tax assets (net)	-	639.14	**639.14**	-	62.50	**62.50**
Investment property	-	2.00	**2.00**	-	2.03	**2.03**
Property, plant and equipment	-	124.44	**124.44**	-	149.88	**149.88**
Right-of-use assets	-	308.51	**308.51**	-	334.29	**334.29**
Other intangible assets	-	2.39	**2.39**	-	2.67	**2.67**
Other non-financial assets	41.68	169.16	**210.84**	44.10	125.47	**169.57**
Total assets	**54,594.19**	**75,233.59**	**129,827.78**	**36,760.89**	**77,504.90**	**114,265.79**
Liabilities						
Financial Liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**	0.40	-	**0.40**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	255.51	-	**255.51**	143.44	-	**143.44**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.37	-	**0.37**	-	-	**-**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.54	-	**0.54**	1.13	-	**1.13**
Debt securities	12,471.61	27,590.26	**40,061.87**	6,484.83	27,782.13	**34,266.96**
Borrowings (other than debt securities)	20,285.69	24,995.68	**45,281.37**	16,550.38	25,924.22	**42,474.60**
Deposits	5,494.92	10,737.49	**16,232.41**	2,857.28	9,102.84	**11,960.12**
Subordinated liabilities	69.31	4,551.45	**4,620.76**	1,114.07	4,556.00	**5,670.07**
Lease liabilities	74.29	275.20	**349.49**	80.97	281.84	**362.81**
Other financial liabilities	829.50	134.85	**964.35**	787.82	124.50	**912.32**
Non-financial Liabilities						
Current tax liabilities (net)	102.02	-	**102.02**	102.02	-	**102.02**
Provisions	105.52	37.02	**142.54**	112.27	34.06	**146.33**
Other non-financial liabilities	99.26	-	**99.26**	83.28	-	**83.28**
Total Liabilities	**39,788.54**	**68,321.95**	**108,110.49**	**28,317.89**	**67,805.59**	**96,123.48**
Net	**14,805.65**	**6,911.64**	**21,717.29**	**8,443.00**	**9,699.31**	**18,142.31**

48 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Rs. in crores)

Particulars	As at March 31, 2020	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2021
Debt securities	34,266.96	4,838.70	-	-	956.21	40,061.87
Borrowings (other than debt securities)	42,474.60	2,447.10	-	-	359.67	45,281.37
Deposits	11,960.12	4,206.86	-	-	65.43	16,232.41
Subordinated liabilities	5,670.07	(1,069.27)	-	-	19.96	4,620.76
Lease liabilities	362.81	(96.16)	-	-	82.84	349.49
Total liabilities from financing activities	**94,734.56**	**10,327.23**	**-**	**-**	**1,484.11**	**106,545.90**

(Rs. in crores)

Particulars	As at March 31, 2019	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2020
Debt securities	34,181.76	353.95	-	-	(268.75)	34,266.96
Borrowings (other than debt securities)	37,189.30	3,326.77	-	-	1,958.53	42,474.60
Deposits	10,341.46	1,661.62	-	-	(42.96)	11,960.12
Subordinated liabilities	6,201.88	487.32	-	-	(1,019.13)	5,670.07
Lease liabilities	-	(110.46)	-	-	473.27	362.81
Total liabilities from financing activities	**87,914.40**	**5,719.20**	**-**	**-**	**1,100.96**	**94,734.56**

49 CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent liabilities

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
a.	In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	133.64	133.80
b.	VAT demand where the Company and its associate have filed appeal before various appellates	117.54	117.54
c.	Service tax demands where the Company and its associate have filed appeal before various authorities	1,976.63	326.21
d.	Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	5.00
	Total	**2,232.81**	**582.55**

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Company and its associate to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Company and its associate do not expect any reimbursement in respect of the above contingent liabilities. The Company and its associate are of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the financial position and results of operations of the Company and its associate.

Disputed income tax demands are on account of royalty, disallowance of ESOP expenses, 14A, derivatives etc.

(B) Commitments not provided for

(Rs. in crores)

		As at March 31, 2021	As at March 31, 2020
a.	Estimated amount of contracts remaining to be executed on capital account, net of advances	3.82	4.52
b.	Commitments related to loans sanctioned but undrawn	148.66	311.87

50 RELATED PARTY DISCLOSURES

Relationship		Name of the party
I	Promoter	: Shriram Capital Limited
II	Promoter group	: Shriram Financial Ventures (Chennai) Private Limited Shriram Value Services Limited Novac Technology Solutions (P) Limited Shriram Fortune Solutions Limited Shriram General Insurance Company Limited Shriram Insight Share Brokers Limited Shriram Life Insurance Company Limited Shriram Asset Management Company Limited Shriram Financial Products Solutions (Chennai) Private Limited Insight Commodities and Futures Private Limited Shriram Credit Company Limited Shriram Overseas Investments Private Limited Shriram Wealth Advisors Limited Bharath Investments Pte. Ltd., Singapore SGI Philippines General Insurance Co. Inc. Novac Digital Service Private Limited Snotter Technology Services Private Limited SEA funds Management India Private Limited Way2wealth Insurance Brokers Private Limited Way2wealth Securities Private Limited Way2wealth Brokers Private Limited Way2wealth Commodities Private Limited
III	Associates	: Shriram Automall India Limited (SAMIL) Cartradeexchange Solutions Private Limited Adroit Inspection Service Private Limited Augeo Asset Management Private Limited (from January 08, 2020)
IV	Key Management Personnel	: Mr. Umesh Revankar, Managing Director & CEO Mr. S. Lakshminarayanan Mrs. Kishori Udeshi Mr. S. Sridhar Mr. Pradeep Kumar Panja Mr. D. V. Ravi Mr. Ignatius Michael Viljoen (from May 14, 2019) Mr. Puneet Bhatia (upto August 19, 2020) Mr. Sumatiprasad M. Bafna (upto March 31, 2019) Mr. Amitabh Chaudhry (upto October 25, 2018)
V	Relatives of Key Management Personnel	: Mrs. Suchita U. Revankar (spouse of Managing Director & CEO) Mrs. Geeta G. Revankar (mother of Managing Director & CEO) Mr. Anil G. Revankar (brother of Managing Director & CEO) Mr. Shreyas U. Revankar (son of Managing Director & CEO) Mr. Shirish U. Revankar (son of Managing Director & CEO)
VI	Employees' benefit plan	Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme

50 RELATED PARTY DISCLOSURES (Contd.)

Summary of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Payments/Expenses														
Payment to key management personnel	-	-	-	-	-	-	-	-	1.68	1.76	-	-	**1.68**	**1.76**
Royalty	-	-	173.35	86.87	-	-	-	-	-	-	-	-	**173.35**	**86.87**
Service charges	43.99	41.90	-	-	-	-	-	-	-	-	-	-	**43.99**	**41.90**
I.T. and BPO charges	-	-	68.03	68.88	-	-	-	-	-	-	-	-	**68.03**	**68.88**
Rent	0.26	0.78	0.02	0.02	7.94	7.04	-	-	-	-	-	-	**8.22**	**7.84**
Business mobilisation expenses	-	-	-	-	0.02	0.04	-	-	-	-	-	-	**0.02**	**0.04**
Other administrative expenses	0.03	0.04	-	-	10.28	11.11	-	-	-	-	-	-	**10.31**	**11.15**
Insurance premium	-	-	9.46	8.91	-	-	-	-	-	-	-	-	**9.46**	**8.91**
Commission	-	-	67.55	34.97	-	-	-	-	-	-	-	-	**67.55**	**34.97**
Sales promotion	-	-	21.20	1.92	-	-	-	-	-	-	-	-	**21.20**	**1.92**
Valuation charges	-	-	-	-	0.44	0.09	-	-	-	-	-	-	**0.44**	**0.09**
Interest	0.01	0.26	47.17	53.74	5.46	2.97	-	-	0.20	-	0.01	0.01	**52.85**	**56.99**
Equity dividend	37.17	71.17	0.03	-	-	-	-	-	-	-	0.00	0.00	**37.20**	**71.17**
Non-convertible debenture (secured) matured	-	-	0.19	80.11	-	-	-	-	-	-	-	-	**0.19**	**80.11**
Fixed deposit matured	-	-	-	14.00	-	-	-	-	0.75	-	0.03	0.01	**0.78**	**14.01**
Subordinated debt matured	0.37	1.72	31.50	45.00	1.39	1.39	-	-	-	-	-	-	**33.26**	**48.11**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	8.25	9.79	-	-	-	-	**8.25**	**9.79**
Inter-corporate deposit repaid	-	74.00	-	-	90.85	51.50	-	-	-	-	-	-	**90.85**	**125.50**
Receipts/Income														
Common sharing expenses	0.01	0.01	1.12	1.17	0.47	0.65	-	-	-	-	-	-	**1.60**	**1.83**
Rent and electricity	0.16	0.15	-	-	4.67	4.64	-	-	-	-	-	-	**4.83**	**4.79**
Other administrative expenses	-	-	-	-	-	0.14	-	-	-	-	-	-	**-**	**0.14**
Commission	-	-	71.46	79.11	-	-	-	-	-	-	-	-	**71.46**	**79.11**
Non-convertible debenture (secured)	-	-	35.00	2.86	-	-	-	-	-	0.10	-	-	**35.00**	**2.96**
Fixed deposit	-	-	12.30	1.50	20.00	-	-	-	1.08	-	0.08	0.05	**33.46**	**1.55**
Unsecured loan and advances repaid	-	-	-	-	15.06	14.44	-	-	-	-	-	-	**15.06**	**14.44**
Received towards right issue	425.22	-	0.39	-	-	-	-	-	-	-	0.00	-	**425.61**	**-**
Inter-corporate deposit received	-	74.00	-	-	102.30	63.40	-	-	-	-	-	-	**102.30**	**137.40**
Balance outstanding at the year end														
Share capital	66.96	59.50	0.06	0.05	-	-	-	-	-	-	0.00	0.00	**67.02**	**59.56**
Investment in equity shares	-	-	-	-	162.29	150.52	-	-	-	-	-	-	**162.29**	**150.52**
Unsecured loan and advances payable	-	-	-	-	1.23	0.41	-	-	-	-	-	-	**1.23**	**0.41**
Commission receivable	-	-	8.16	9.56	-	-	-	-	-	-	-	-	**8.16**	**9.56**
Prepaid for insurance premium	-	-	2.73	2.84	-	-	-	-	-	-	-	-	**2.73**	**2.84**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Outstanding expenses	11.16	10.43	72.96	44.13	0.03	-	-	-	-	-	-	-	**84.15**	**54.55**
Fixed deposit *	-	-	14.34	1.55	20.00	-	-	-	1.70	1.45	0.19	0.13	**36.23**	**3.13**
Subordinated debt *	-	0.41	495.36	422.19	-	2.76	-	-	-	-	-	-	**495.36**	**425.37**
Non-convertible debenture (secured)*	-	-	53.19	15.12	23.17	22.77	-	-	2.86	2.61	-	-	**79.22**	**40.50**
Inter-corporate deposit *	-	-	-	-	49.59	39.42	-	-	-	-	-	-	**49.59**	**39.42**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

There were no guarantees given on behalf of related parties during the year.

* Refer note 22 Debt securities, note 24 Deposits and note 25 Subordinated liabilities, for terms and conditions of non-convertible debentures, fixed deposit, inter-corporate deposit and subordinated debt respectively.

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Payments/Expenses														
Employee benefits for key management personnel														
- Short term benefits	-	-	-	-	-	-	-	-	0.83	0.97	-	-	**0.83**	**0.97**
- Post employment benefits	-	-	-	-	-	-	-	-	0.16	0.19	-	-	**0.16**	**0.19**
Commission and sitting fee paid to directors														
- Mr. Amitabh Chaudhry	-	-	-	-	-	-	-	-	-	0.04	-	-	-	**0.04**
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	0.16	0.12	-	-	**0.16**	**0.12**
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.18	0.14	-	-	**0.18**	**0.14**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.17	0.10	-	-	**0.17**	**0.10**
- Mr. Sumatiprasad M. Bafna	-	-	-	-	-	-	-	-	-	0.09	-	-	-	**0.09**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.18	0.11	-	-	**0.18**	**0.11**
License fees														
- Shriram Value Services Limited	-	-	173.35	86.87	-	-	-	-	-	-	-	-	**173.35**	**86.87**
Service charges														
- Shriram Capital Limited	43.99	41.90	-	-	-	-	-	-	-	-	-	-	**43.99**	**41.90**
Voice call services charges														
- Shriram Value Services Limited	-	-	-	21.26	-	-	-	-	-	-	-	-	-	**21.26**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
- Novac Technology Solutions (P) Limited	-	-	24.37	7.43	-	-	-	-	-	-	-	-	24.37	7.43
I.T. and BPO charges														
- Novac Technology Solutions (P) Limited	-	-	43.66	40.18	-	-	-	-	-	-	-	-	43.66	40.18
Rent				-										
- Shriram Automall India Limited	-	-	-	-	7.94	7.04	-	-	-	-	-	-	7.94	7.04
- Shriram Capital Limited	0.26	0.78	-	-	-	-	-	-	-	-	-	-	0.26	0.78
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	0.02	0.02
Business mobilisation expenses														
- Shriram Automall India Limited	-	-	-	-	0.02	0.04	-	-	-	-	-	-	0.02	0.04
Other administrative expenses														
- Shriram Capital Limited	0.03	0.04	-	-	-	-	-	-	-	-	-	-	0.03	0.04
- Shriram Automall India Limited	-	-	-	-	10.28	11.11	-	-	-	-	-	-	10.28	11.11
Insurance premium														
- Shriram Life Insurance Company Limited	-	-	5.40	5.63	-	-	-	-	-	-	-	-	5.40	5.63
- Shriram General Insurance Company Limited	-	-	4.06	3.28	-	-	-	-	-	-	-	-	4.06	3.28
Commission														
- Shriram Fortune Solutions Limited	-	-	51.21	26.03	-	-	-	-	-	-	-	-	51.21	26.03
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	9.10	3.31	-	-	-	-	-	-	-	-	9.10	3.31
- Shriram Insight Share Brokers Limited	-	-	6.56	5.63	-	-	-	-	-	-	-	-	6.56	5.63
-Shriram Wealth Advisors Limited	-	-	0.68	-	-	-	-	-	-	-	-	-	0.68	-
Sales promotion														
- Shriram Fortune Solutions Limited	-	-	15.91	-	-	-	-	-	-	-	-	-	15.91	-
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	3.48	0.75	-	-	-	-	-	-	-	-	3.48	0.75
- Shriram Insight Share Brokers Limited	-	-	1.68	1.17	-	-	-	-	-	-	-	-	1.68	1.17
- Shriram Wealth Advisors Limited	-	-	0.13	-	-	-	-	-	-	-	-	-	0.13	-
Interest on inter-corporate Deposit														
- Shriram Automall India Limited	-	-	-	-	3.63	2.34	-	-	-	-	-	-	3.63	2.34
- Shriram Capital Limited	-	0.17	-	-	-	-	-	-	-	-	-	-	-	0.17
Valuation charges														
- Adroit Inspection Service Private Limited	-	-	-	-	0.44	0.09	-	-	-	-	-	-	0.44	0.09

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Interest on fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.20	-	-	-	**0.20**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.01	0.01	**0.01**	**0.01**
- Shriram Fortune Solutions Limited	-	-	-	0.38	-	-	-	-	-	-	-	-	-	**0.38**
- Shriram Asset Management Company Limited	-	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**
Interest on subordinated debt														
- Shriram Automall India Limited	-	-	-	-	0.17	0.44	-	-	-	-	-	-	**0.17**	**0.44**
- Shriram Capital Limited	0.01	0.09	-	-	-	-	-	-	-	-	-	-	**0.01**	**0.09**
- Shriram Life Insurance Company Limited	-	-	10.36	9.53	-	-	-	-	-	-	-	-	**10.36**	**9.53**
- Shriram General Insurance Company Limited	-	-	32.27	37.17	-	-	-	-	-	-	-	-	**32.27**	**37.17**
Interest on non-convertible debenture (secured)														
- Shriram Life Insurance Company Limited	-	-	3.22	4.18	-	-	-	-	-	-	-	-	**3.22**	**4.18**
- Shriram General Insurance Company Limited	-	-	-	1.32	-	-	-	-	-	-	-	-	-	**1.32**
- Shriram Asset Management Company Limited	-	-	1.27	1.10	-	-	-	-	-	-	-	-	**1.27**	**1.10**
- Shriram Insight Share Brokers Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**	-
- Shriram Automall India Limited	-	-	-	-	1.66	0.19	-	-	-	-	-	-	**1.66**	**0.19**
Equity dividend														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Shriram Capital Limited	37.17	71.17	-	-	-	-	-	-	-	-	-	-	**37.17**	**71.17**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.03	-	-	-	-	-	-	-	-	-	**0.03**	-
Non-convertible debenture (secured) matured														
- Shriram Life Insurance Company Limited	-	-	-	58.90	-	-	-	-	-	-	-	-	-	**58.90**
- Shriram General Insurance Company Limited	-	-	-	21.10	-	-	-	-	-	-	-	-	-	**21.10**
- Shriram Insight Share Brokers Limited	-	-	0.19	0.11	-	-	-	-	-	-	-	-	**0.19**	**0.11**
Fixed deposit matured														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.75	-	-	-	**0.75**	-

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.03	0.01	**0.03**	**0.01**
- Shriram Fortune Solutions Limited	-	-	-	14.00	-	-	-	-	-	-	-	-	-	**14.00**
Subordinated debt matured														
- Shriram Capital Limited	0.37	1.72	-	-	-	-	-	-	-	-	-	-	**0.37**	**1.72**
- Shriram Automall India Limited	-	-	-	-	1.39	1.39	-	-	-	-	-	-	**1.39**	**1.39**
- Shriram General Insurance Company Limited	-	-	25.00	45.00	-	-	-	-	-	-	-	-	**25.00**	**45.00**
- Shriram Life Insurance Company Limited	-	-	6.50	-	-	-	-	-	-	-	-	-	**6.50**	-
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	8.25	9.79	-	-	-	-	**8.25**	**9.79**
Inter-corporate deposit repaid														
- Shriram Automall India Limited	-	-	-	-	90.85	51.50	-	-	-	-	-	-	**90.85**	**51.50**
- Shriram Capital Limited	-	74.00	-	-	-	-	-	-	-	-	-	-	-	**74.00**
TOTAL	**81.83**	**189.87**	**418.50**	**394.40**	**116.38**	**74.14**	**8.25**	**9.79**	**2.63**	**1.76**	**0.04**	**0.02**	**627.63**	**669.99**
Receipts/Income														
Recovery of common sharing expenses														
- Shriram Automall India Limited	-	-	-	-	0.47	0.58	-	-	-	-	-	-	**0.47**	**0.58**
- Shriram Capital Limited	0.01	0.01	-	-	-	-	-	-	-	-	-	-	**0.01**	**0.01**
- Shriram Asset Management Company Limited	-	-	0.06	0.06	-	-	-	-	-	-	-	-	**0.06**	**0.06**
- Shriram Insight Share Brokers Limited	-	-	0.02	0.03	-	-	-	-	-	-	-	-	**0.02**	**0.03**
- Shriram Fortune Solutions Limited	-	-	1.04	1.08	-	-	-	-	-	-	-	-	**1.04**	**1.08**
- Adroit Inspection Service Private Limited	-	-	-	-	-	0.07	-	-	-	-	-	-	-	**0.07**
Rent and electricity														
- Shriram Capital Limited	0.16	0.15	-	-	-	-	-	-	-	-	-	-	**0.16**	**0.15**
- Shriram Automall India Limited	-	-	-	-	4.67	4.64	-	-	-	-	-	-	**4.67**	**4.64**
Other administrative expenses														
- Shriram Automall India Limited	-	-	-	-	-	0.14	-	-	-	-	-	-	-	**0.14**
Commission														
- Shriram General Insurance Company Limited	-	-	50.80	58.71	-	-	-	-	-	-	-	-	**50.80**	**58.71**
- Shriram Life Insurance Company Limited	-	-	20.66	20.39	-	-	-	-	-	-	-	-	**20.66**	**20.39**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-convertible debenture (secured)														
- Key management personnel														
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	0.10	-	-	**-**	**0.10**
- Shriram Asset Management Company Limited	-	-	-	2.16	-	-	-	-	-	-	-	-	**-**	**2.16**
- Shriram Insight Share Brokers Limited	-	-	-	0.70	-	-	-	-	-	-	-	-	**-**	**0.70**
- Shriram Life Insurance Company Limited	-	-	35.00	-	-	-	-	-	-	-	-	-	**35.00**	**-**
Fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.93	-	-	-	**0.93**	**-**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.05	-	-	-	**0.05**	**-**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**	**-**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.08	0.05	**0.08**	**0.05**
- Shriram Asset Management Company Limited	-	-	12.30	1.50	-	-	-	-	-	-	-	-	**12.30**	**1.50**
- Shriram Automall India Limited	-	-	-	-	20.00		-	-	-	-	-	-	**20.00**	**-**
Unsecured loan and advances repaid														
- Shriram Automall India Limited	-	-	-	-	15.06	14.44	-	-	-	-	-	-	**15.06**	**14.44**
Received towards right issue			-											
- Shriram Capital Limited	425.22	-	-	-	-	-	-	-	-	-	-	-	**425.22**	**-**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.39	-	-		-	-	-	-	-	-	**0.39**	**-**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	**0.00**	-	**0.00**	**-**
Inter-corporate deposit received														
- Shriram Automall India Limited	-	-	-	-	102.30	63.40	-	-	-	-	-	-	**102.30**	**63.40**
- Shriram Capital Limited	-	74.00	-	-	-	-	-	-	-	-	-	-	**-**	**74.00**
TOTAL	**425.39**	**74.16**	**120.27**	**84.63**	**142.50**	**83.28**	**-**	**-**	**1.08**	**0.10**	**0.08**	**0.05**	**689.32**	**242.22**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

50 RELATED PARTY DISCLOSURES (Contd.)

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance outstanding at the year end														
Share capital														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Shriram Capital Limited	66.96	59.50	-	-	-	-	-	-	-	-	-	-	**66.96**	**59.50**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.06	0.05	-	-	-	-	-	-	-	-	**0.06**	**0.05**
Investment in equity shares														
- Shriram Automall India Limited	-	-	-	-	162.29	150.52	-	-	-	-	-	-	**162.29**	**150.52**
Unsecured loan and advances payable														
- Shriram Automall India Limited	-	-	-	-	1.23	0.41	-	-	-	-	-	-	**1.23**	**0.41**
Commission receivable														
- Shriram General Insurance Company Limited	-	-	6.10	7.65	-	-	-	-	-	-	-	-	**6.10**	**7.65**
- Shriram Life Insurance Company Limited	-	-	2.06	1.91	-	-	-	-	-	-	-	-	**2.06**	**1.91**
Prepaid for insurance premium														
- Shriram General Insurance Company Limited	-	-	1.71	1.78	-	-	-	-	-	-	-	-	**1.71**	**1.78**
- Shriram Life Insurance Company Limited	-	-	1.02	1.06	-	-	-	-	-	-	-	-	**1.02**	**1.06**
Outstanding expenses														
- Shriram Capital Limited	11.16	10.43	-	-	-	-	-	-	-	-	-	-	**11.16**	**10.43**
- Shriram Value Services Limited	-	-	50.35	40.07	-	-	-	-	-	-	-	-	**50.35**	**40.07**
- Novac Technology Solutions (P) Limited	-	-	8.19	1.80	-	-	-	-	-	-	-	-	**8.19**	**1.80**
- Shriram Fortune Solutions Limited	-	-	11.05	1.27	-	-	-	-	-	-	-	-	**11.05**	**1.27**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	2.17	0.31	-	-	-	-	-	-	-	-	**2.17**	**0.31**
- Shriram Insight Share Brokers Limited	-	-	1.03	0.65	-	-	-	-	-	-	-	-	**1.03**	**0.65**
- Adroit Inspection Service Private Limited	-	-	-	-	0.03	-	-	-	-	-	-	-	**0.03**	**-**
- Shriram Asset Management Company Limited	-	-	-	0.02	-	-	-	-	-	-	-	-	**-**	**0.02**
- Shriram Wealth Advisors Limited	-	-	0.17	-	-	-	-	-	-	-	-	-	**0.17**	**-**
Fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	1.55	1.45	-	-	**1.55**	**1.45**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.05	-	-	-	**0.05**	**-**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**	**-**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.19	0.13	**0.19**	**0.13**
- Shriram Asset Management Company Limited	-	-	14.34	1.55	-	-	-	-	-	-	-	-	**14.34**	**1.55**
- Shriram Automall India Limited	-	-	-	-	20.00	-	-	-	-	-	-	-	**20.00**	**-**
Non-convertible debenture (secured)														
-Key management personnel														
- Mr.Umesh Revankar	-	-	-	-	-	-	-	-	2.49	2.27	-	-	**2.49**	**2.27**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.13	0.12	-	-	**0.13**	**0.12**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.24	0.22	-	-	**0.24**	**0.22**
- Shriram Life Insurance Company Limited	-	-	36.71	-	-	-	-	-	-	-	-	-	**36.71**	**-**
- Shriram Asset Management Company Limited	-	-	15.85	14.49	-	-	-	-	-	-	-	-	**15.85**	**14.49**
- Shriram Insight Share Brokers Limited	-	-	0.63	0.63	-	-	-	-	-	-	-	-	**0.63**	**0.63**
- Shriram Automall India Limited	-	-	-	-	23.17	22.77	-	-	-	-	-	-	**23.17**	**22.77**
Subordinated debt														
- Shriram Automall India Limited	-	-	-	-	-	2.76	-	-	-	-	-	-	**-**	**2.76**
- Shriram Capital Limited	-	0.41	-	-	-	-	-	-	-	-	-	-	**-**	**0.41**
- Shriram Life Insurance Company Limited	-	-	126.63	103.15	-	-	-	-	-	-	-	-	**126.63**	**103.15**
- Shriram General Insurance Company Limited	-	-	368.73	319.04	-	-	-		-	-	-	-	**368.73**	**319.04**
Inter-corporate deposit received														
- Shriram Automall India Limited	-	-	-	-	49.59	39.42	-	-	-	-	-	-	**49.59**	**39.42**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

50 RELATED PARTY DISCLOSURES (Contd.)

Disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. Disclosures relating Loans and Advances /Investments

(Rs. in crores)

Sl No.	Loans and Advances in the nature of Loans	Maximum Amount Outstanding during the year March 2021	Maximum Amount Outstanding during the year March 2020
A)	To Associate		
	- Shriram Automall India Limited	0.38	3.98

II. Shriram Transport Finance Company Limited (STFC) holds 44.56 % of equity shares of the company. Disclosure relating to transactions with STFC is given above.

51 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. . However, they are under constant review by the Board.

52 FAIR VALUE MEASUREMENT

52.01: Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 6.1 (xiii).

52.02: Fair value hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2021

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	79.37	-	**79.37**
Currency swaps	-	(103.23)	-	**(103.23)**
Interest rate swaps	-	9.72	-	**9.72**
Cross currency interest rate swaps	-	181.54	-	**181.54**
Interest rate caps	-	1.85	-	**1.85**
Total derivative financial instruments	**-**	**169.25**	**-**	**169.25**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Equity instruments	-	-	6.74	**6.74**
Venture capital fund	-	1.54	-	**1.54**
Total financial assets held for trading	-	**1.54**	**6.74**	**8.28**
Total assets measured at fair value on a recurring basis	-	**170.79**	**6.74**	**177.53**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	-	**170.79**	**6.74**	**177.53**

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

As at March 31, 2020

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	378.05	-	**378.05**
Currency swaps	-	11.50	-	**11.50**
Interest rate swaps	-	45.77	-	**45.77**
Cross currency interest rate swaps	-	319.50	-	**319.50**
Interest rate caps	-	3.91	-	**3.91**
Total derivative financial instruments	-	**758.73**	-	**758.73**
Financial assets held for trading				
Mutual funds	-	3.02	-	**3.02**
Equity instruments	-	-	3.36	**3.36**
Venture capital fund	-	1.04	-	**1.04**
Total financial assets held for trading	-	**4.06**	**3.36**	**7.42**
Total assets measured at fair value on a recurring basis	-	**762.79**	**3.36**	**766.15**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	-	**762.79**	**3.36**	**766.15**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

52.03: Valuation techniques

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Equity instruments

Investment in units of mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies derivative financial instruments as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Certificate of deposits (CDs)

Certificate of deposits are short-term financial instruments issued by Banks. Financial Benchmark India Private Ltd (FBIL) has developed the FBIL- CD, a new benchmark for the money market based on traded CDs reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform of The Clearing Corporation of India Ltd (CCIL). FBIL-CD is announced for seven tenors of 14 days, 1 month, 2 months, 3 months, 6 months, 9 months and 12 months. For valuation, the Company uses FBIL-CD benchmark and based on that benchmark the Company interpolates and calculates CD prices corresponding to their residual maturities and such instruments are classified as Level 2.

52.04: Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

52.05: Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

52 FAIR VALUE MEASUREMENT (Contd.)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(Rs. in crores)

Particulars	Equity instruments	
	As at March 31, 2021	As at March 31, 2020
Opening balance	**3.36**	**3.58**
Purchase	-	-
Sales	-	-
Issuances	-	-
Settlements	-	-
Transfers into level 3	-	-
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Unrealised gains and losses related to balances held at the end of the year	**3.38**	**(0.22)**
Closing balance	**6.74**	**3.36**

52.06: Impact of changes to key assumptions on fair value of level 3 financial instruments measured at fair value

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(Rs. in crores)

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets As at March 31, 2021	Level 3 assets As at March 31, 2020		
Equity instruments	6.74	3.36	Based on the discounted cashflow	Based on the discounted cashflow

52.07: Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/ unfavourable range.

The table below shows data in relation to level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

(Rs. in crores)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
Equity instruments based on the discounted cashflow	7.11	6.39	3.51	3.18

52 FAIR VALUE MEASUREMENT (Contd.)

52.08: Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non-financial liabilities.

(Rs. in crores)

As at March 31, 2021	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	11,050.93	7,599.40	3,449.44	-	**11,048.84**
Bank balance other than cash and cash equivalents	5,390.89	161.65	5,126.81	-	**5,288.46**
Trade receivables	8.92	-	-	8.92	**8.92**
Other receivables	49.90	-	-	49.90	**49.90**
Loans (excluding impairment loss allowance)	116,191.59	-	-	114,238.50	**114,238.50**
Investments at amortised cost (excluding impairment loss allowance)	3,214.21	2,159.91	-	903.27	**3,063.18**
Other investments	162.29	-	-	162.29	**162.29**
Other financial assets	49.03	-	-	39.68	**39.68**
Total financial assets	**136,117.76**	**9,920.96**	**8,576.25**	**115,402.56**	**133,899.77**
Financial liabilities:					
Trade payables	255.51	-	-	255.51	**255.51**
Other payables	0.91	-	-	0.91	**0.91**
Debt securities	40,061.87	-	47,326.64	-	**47,326.64**
Borrowings (other than debt securities)	45,281.37	-	51,089.94	-	**51,089.94**
Deposits	16,232.41	-	-	16,559.97	**16,559.97**
Subordinated liabilities	4,620.76	-	6,265.88	-	**6,265.88**
Lease liabilities	349.49	-	-	349.49	**349.49**
Other financial liabilities	964.35	-	-	964.35	**964.35**
Total financial liabilities	**107,766.67**	**-**	**104,682.46**	**18,130.23**	**122,812.69**
Off balance sheet items					
Other commitments	148.66	-	-	148.66	**148.66**
Total off-balance sheet items	**148.66**	**-**	**-**	**148.66**	**148.66**

(Rs. in crores)

As at March 31, 2020	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	3,088.99	1,854.21	1,232.41	-	**3,086.62**
Bank balance other than cash and cash equivalents	4,225.93	10.57	4,163.23	-	**4,173.80**
Trade receivables	10.50	-	-	10.50	**10.50**
Other receivables	5.64	-	-	5.64	**5.64**
Loans (excluding impairment loss allowance)	108,501.71	-	-	103,070.32	**103,070.32**
Investments at amortised cost (excluding impairment loss allowance)	2,819.92	1,912.92	-	979.04	**2,891.96**
Other investments	150.52	-	-	150.52	**150.52**
Other financial assets	38.70	-	-	28.87	**28.87**
Total financial assets	**118,841.91**	**3,777.70**	**5,395.64**	**104,244.89**	**113,418.23**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2020	Carrying amount	Fair value Level-1	Level-2	Level-3	Total
Financial liabilities:					
Trade payables	143.84	-	-	143.84	**143.84**
Other payables	1.13	-	-	1.13	**1.13**
Debt securities	34,266.96	-	36,510.59	-	**36,510.59**
Borrowings (other than debt securities)	42,474.60	-	42,704.86	-	**42,704.86**
Deposits	11,960.12	-	-	12,161.38	**12,161.38**
Subordinated liabilities	5,670.07	-	5,367.03	722.40	**6,089.43**
Lease liabilities	362.81	-	-	362.81	**362.81**
Other financial liabilities	912.32	-	-	912.32	**912.32**
Total financial liabilities	**95,791.85**	**-**	**84,582.48**	**14,303.88**	**98,886.36**
Off balance sheet items					
Other commitments	311.87	-	-	311.87	**311.87**
Total off-balance sheet items	**311.87**	**-**	**-**	**311.87**	**311.87**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables, bank overdrafts and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

52.09: Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Instruments with no comparable instruments or valuation inputs are classified as Level 3.

Investment in associate at cost

Investment in associate: As per Ind AS 28 Interest in associate are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. Loan and other similar arrangements with subsidiaries which are probable to be settled for a fixed number of equity share of the borrower for a fixed price are classified as equity investment. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Investment in government securities at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt and borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate from market-observable data such as secondary prices for its traded debt.

52 FAIR VALUE MEASUREMENT (Contd.)

Deposits

The fair value of public deposits and deposit from corporates is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for deposits of similar tenure and scheme (cumulative/non-cumulative). Inter-corporate deposits are estimated at their carrying amounts due to the short-term maturities of these deposits.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on the carrying amounts due to the short-term maturities of these positions.

53 RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

53.01: Introduction and risk profile

53.01.01: Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk owners within each department will report to the Risk Committee.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

53.01.02: Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

53.01.03: Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department.

The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk

53 RISK MANAGEMENT (Contd.)

appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

53.01.04: Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

53.02: Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due(dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

53.02.01: Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

53.02.02: Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 53.02.02.01).

- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 53.02.02.02 to 53.02.02.04)
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 53.02.02.05)
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 53.02.02.06)
- The details of the ECL calculations for stage 1, stage 2 and stage 3 assets (Note 6.1.xi)

53 RISK MANAGEMENT (Contd.)

53.02.02.01: Definition of default

The Company considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.

53.02.02.02: PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

53.02.02.03: Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For stage 2 and stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

53.02.02.04: Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

53.02.02.05: Significant increase in credit risk(SICR)

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers' ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 53.02.02.01 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 53.02.02.06), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

53 RISK MANAGEMENT (Contd.)

53.02.02.06: Forward looking information

The Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note 63 for impact of COVID-19 on estimate of PD, LGD and SICR.

53.02.02.07: Grouping financial assets measured on a collective basis

As explained in Note 6.1.(xi) dependent on the factors below, the Company calculates ECLs only on a collective basis.

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. New vehicle finance
2. Pre owned vehicle finance
3. Business Loans

53.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2021 was Rs. 52.22 crores (March 31, 2020: Rs. 51.01 crores).

Credit risk exposure analysis

(Rs. in crores)

Particulars	As at March 31, 2021			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Credit risk exposure	93,915.66	13,983.12	8,292.81	**116,191.59**

53.03: Liquidity risk and funding management

In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings. Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company in line with the Company's budget and decided risk management objectives. The ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the company. The ALCO will be responsible for ensuring the adherence to the target set by the Board of Directors. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its ratification.

53 RISK MANAGEMENT (Contd.)

53.03.01: Analysis of financial assets and liabilities by remaining maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2021:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	11,050.93	-	-	-	-	-	**11,050.93**
Bank balance other than above	2,250.28	1,543.15	1,093.35	450.85	53.26	-	**5,390.89**
Derivative assets	-	-	100.51	38.26	-	30.48	**169.25**
Financial assets at fair value through profit and loss	-	-	-	-	-	8.28	**8.28**
Loans *	13,358.17	15,198.43	24,695.47	66,062.15	18,404.12	3,131.92	**140,850.26**
Financial investments at amortised cost	153.19	134.26	235.76	832.05	169.15	1,689.80	**3,214.21**
Trade receivables	8.92	-	-	-	-	-	**8.92**
Other receivables	49.90	-	-	-	-	-	**49.90**
Other financial assets	2.07	-	-	-	-	46.96	**49.03**
Total discounted financial assets	**26,873.46**	**16,875.84**	**26,125.09**	**67,383.31**	**18,626.53**	**4,907.44**	**160,791.67**
Financial liabilities							
Deposits *	920.83	1,541.32	3,817.22	9,090.96	3,814.50	-	**19,184.83**
Debt securities *	3,433.09	4,954.30	5,893.54	24,240.95	3,320.04	5,428.64	**47,270.56**
Borrowings (other than debt securities) *	6,348.78	5,469.99	11,980.12	23,455.05	4,790.82	365.83	**52,410.59**
Subordinated liabilities *	86.83	86.23	341.79	1,493.08	2,828.52	1,880.28	**6,716.73**
Trade payables	181.16	7.26	67.09	-	-	-	**255.51**
Other payables	0.91	-	-	-	-	-	**0.91**
Lease liabilities	18.76	18.33	37.20	125.71	74.56	74.93	**349.49**
Other financial liabilities	813.59	0.76	15.15	99.85	30.91	4.09	**964.35**
Total discounted financial liabilities	**11,803.95**	**12,078.19**	**22,152.11**	**58,505.60**	**14,859.35**	**7,753.77**	**127,152.97**
Net discounted financial assets/ (liabilities)	**15,069.51**	**4,797.65**	**3,972.98**	**8,877.71**	**3,767.18**	**(2,846.33)**	**33,638.70**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2020:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	3,088.99	-	-	-	-	-	**3,088.99**
Bank balance other than above	2,480.60	934.41	789.14	21.78	-	-	**4,225.93**
Derivative assets	758.73	-	-	-	-	-	**758.73**
Financial assets at fair value through profit and loss	-	-	-	-	-	7.42	**7.42**
Loans *	6,915.77	14,216.43	23,589.62	64,954.52	25,558.69	1,634.19	**136,869.22**
Financial investments at amortised cost	80.29	101.63	179.55	519.43	364.27	1,574.75	**2,819.92**
Trade receivables	10.50	-	-	-	-	-	**10.50**
Other receivables	5.64	-	-	-	-	-	**5.64**
Other financial assets	-	-	-	-	-	38.70	**38.70**
Total discounted financial assets	**13,340.52**	**15,252.47**	**24,558.31**	**65,495.73**	**25,922.96**	**3,255.06**	**147,825.05**
Financial liabilities							
Deposits *	768.95	954.94	1,704.67	8,155.32	2,701.97	-	**14,285.85**
Debt securities *	1,506.34	1,740.07	3,943.97	22,256.44	9,096.87	1,532.02	**40,075.71**
Borrowings (other than debt securities) *	3,191.71	5,818.22	10,169.69	20,844.94	7,639.45	581.01	**48,245.02**
Subordinated liabilities *	929.67	326.89	325.03	1,283.78	3,324.54	2,122.82	**8,312.73**
Trade payables	143.84	-	-	-	-	-	**143.84**
Other payables	1.13	-	-	-	-	-	**1.13**
Lease liabilities	24.31	20.24	36.42	135.90	83.79	62.15	**362.81**
Other financial liabilities	581.20	147.66	58.96	81.48	41.92	1.10	**912.32**
Total discounted financial liabilities	**7,147.15**	**9,008.02**	**16,238.74**	**52,757.86**	**22,888.54**	**4,299.10**	**112,339.41**
Net discounted financial assets/ (liabilities)	**6,193.37**	**6,244.45**	**8,319.57**	**12,737.87**	**3,034.42**	**(1,044.04)**	**35,485.64**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

The table below shows the expiry by maturity of the contingent liabilities and commitments of the Company and its associate: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

As at March 31, 2021 (Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2021							
In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	133.64	**133.64**
VAT demand where the Company and its associate have filed appeal before various appellates	-	-	-	-	-	117.54	**117.54**
Service tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	1,976.63	**1,976.63**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	3.82	-	-	-	-	-	**3.82**
Commitments related to loans sanctioned but undrawn	148.66	-	-	-	-	-	**148.66**
Total commitments	**152.48**	**-**	**-**	**-**	**-**	**2,232.81**	**2,385.29**
As at March 31, 2020							
In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	133.80	**133.80**
VAT demand where the Company and its associate have filed appeal before various appellates	-	-	-	-	-	117.54	**117.54**
Service tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	326.21	**326.21**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	4.52	-	-	-	-	-	**4.52**
Commitments related to loans sanctioned but undrawn	311.87	-	-	-	-	-	**311.87**
Total commitments	**316.39**	**-**	**-**	**-**	**-**	**582.55**	**898.94**

53 RISK MANAGEMENT (Contd.)

53.04: Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks such as Bank Marginal Cost of Funds based Lending Rate (MCLR) or London Inter-bank Offered Rate (LIBOR) and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The Company hedges interest rate risks of foreign currency borrowings through derivative transactions. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2021 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	5,776.24	572.78	(644.49)
Term loans	9,723.08	707.21	(665.36)
Total floating rate borrowings	**15,499.32**	**1,279.99**	**(1,309.85)**

As at March 31, 2020 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	175.00	8.48	(9.01)
Term loans	9,941.92	640.63	(875.54)
Total floating rate borrowings	**10,116.92**	**649.11**	**(884.55)**

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Inter-bank Offered Rate (IBOR) reform

Following the decision by global regulators to phase out Inter-bank Offered Rate (IBORs) and replace them with alternative reference rates, the Company is closely monitoring the global and local developments in respect of the IBOR transition and is in the process of establishing a project to manage the transition of its contracts.

The table below shows the Company's exposure at the year end to significant IBORs subject to reform that have yet to transition to alternative Risk Free Rates (RFRs). These exposures will remain outstanding until the IBOR ceases and will therefore transition in future and the table excludes exposures to IBOR that will expire before transition is required. The derivative hedging instruments provide a close approximation to the extent of the risk exposure the Company manages through hedging relationships.

(Rs. in crores)

Particulars	As at March 31, 2021		
	Rate of interest	Notional Amounts	Maturity date
(i) Currency derivatives:			
-Spots and forwards	3 months LIBOR + 1.95%	22.19	June 10, 2022 to August 10, 2023
-Cross currency interest rate swaps	3 months LIBOR + 1.95%	2,402.33	August 10, 2023
-Cross currency interest rate swaps	6 months EURIBOR + 1.15%	837.69	April 25, 2026
-Cross currency interest rate swaps	6 months LIBOR + 2.50%	147.00	December 11, 2026
(ii) Interest rate derivatives:			
-Interest rate caps	6 months EURIBOR + 1.15%	-	April 25, 2026
TOTAL		**3,409.21**	

53 RISK MANAGEMENT (Contd.)

Foreign Currency risk

Foreign Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency fluctuation risk for its foreign currency borrowing. The Company's borrowings in foreign currency are governed by RBI Master Direction External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (as and when updated) which requires entities raising External Commercial Borrowings (ECB) for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure. The Company hedges its entire ECB and external commercial bond exposure as per Board approved hedging policy and resource mobilisation policy. The Company manages foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company holds derivative financial instruments such as Cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The Counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place. Refer Note 22 B and 23 C, respectively for terms and conditions of external commercial bonds and external commercial borrowings.

Exposure to currency risk:

The summary quantitative data about exposure to Currency risk (based on Notional amounts) as reported :

(Amount in crores)

Particulars	As at March 31, 2021			
	Contracts in EURO		Contracts in USD	
	EURO	INR	USD	INR
Total foreign currency exposure in respect of recognised assets and liabilities	10.58	837.69	479.50	35,593.99
Cross currency Interest rate swap /Forward exchange contracts	10.58	837.69	479.50	35,593.99
Net Exposure	-	-	-	-

Movement in Cash flow hedge reserve

(Rs. in crores)

Cash flow hedge reserve	As at March 31, 2021		
	Realised	Unrealised	Total
Balance at the beginning of the year	-	-	-
Add: Changes in the Fair Value during the year	-	(124.31)	(124.31)
Less: Income tax relating to items that will be reclassified to profit or loss	-	31.29	31.29
Less: Amounts reclassified to Statement of profit and loss	-	-	-
Balance at the end of the year	-	**(93.02)**	**(93.02)**

Nature and terms and conditions of outstanding derivative contract

(Rs. in crores)

Particulars	As at March 31, 2021			
	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets
(i) Currency derivatives:				
-Spots and forwards	3 months LIBOR + 1.95%	June 10, 2021 to August 10, 2023	37.05	(0.30)
-Spots and forwards	4.15% to 5.95%	June 15, 2021 to June 15, 2027	13,789.85	79.67
-Currency swaps	4.40% to 5.10%	July 14, 2023 to March 13, 2024	2,320.38	(103.23)
-Cross currency interest rate swaps	3 months LIBOR + 1.95%	10-Aug-2023	2,402.33	32.81
-Cross currency interest rate swaps	6 months EURIBOR + 1.15%	25-Apr-2026	837.69	49.24
-Cross currency interest rate swaps	6 months LIBOR + 2.50%	11-Dec-2026	147.00	(1.76)
-Cross currency interest rate swaps	5.70%	28-Feb-2022	2,849.90	101.25

53 RISK MANAGEMENT (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2021			
	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets
(ii) Interest rate derivatives:				
-Interest rate swaps	4.40% to 5.95%	October 24, 2022 to March 13, 2024	14,047.48	9.72
-Interest rate caps	6 months EURIBOR + 1.15%	April 26, 2021 to 25 April 2026	-	1.85
TOTAL			**36,431.68**	**169.25**

Price -risk

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In such cases, ineffectiveness may arise if:

(a) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

(b) differences arise between the credit risk inherent within the hedged item and the hedging instrument.

There were no ineffectiveness recognised in the statement of profit and loss during March 31, 2021.

There were no other sources of ineffectiveness in these hedge relationships.

54 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount remaining unpaid to supplier as at the end of the year	0.37	0.40
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

55 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER LEGAL AND PROFESSIONAL FEES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of senior secured notes of Rs. 0.34 crores (March 31, 2020: Rs. 0.83 crores) shown under Legal and professional fees in note 42 Other expenses.

56 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER FINANCE COST

In addition to the auditors remuneration shown under note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with public issue of non-convertible debentures of Rs. Nil (March 31, 2020: Rs.0.36 crores) amortised portion of which is included in note 37 Finance Costs under interest on debentures and unamortised portion of which is included in note 22 Debt securities under Redeemable non-convertible debentures - Secured -Public issue.

57 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER RIGHT ISSUE EXPENSES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of Right Shares of Rs. 0.27 crores (March 31, 2020: Rs. Nil) netted off against Securities premium under Other equity in note 31 Other equity.

58 SEGMENT REPORTING

The Company operates in a single reporting segment i.e. financing. Its associate is primarily engaged in the business of facilitation service. Since, it does not meet the quantitative thresholds laid down under the Ind AS 108 – "Segment Reporting" for reportable segments, it has not been considered for segment reporting.

59 TRANSFER OF FINANCIAL ASSETS

Note 59.01: Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Securitisation		
Carrying amount of transferred assets measured at amortised cost (held as collateral)	23,687.13	21,612.72
Carrying amount of associated liabilities (Borrowings (other than debt securities)-measured at amortised cost)	23,403.60	21,452.04
Fair value of assets	25,124.28	20,054.22
Fair value of associated liabilities	27,825.65	20,358.45
Net position at fair value	**(2,701.37)**	**(304.23)**

Note 59.02: Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	1,300.31	1,427.81
Carrying amount of exposures retained by the Company at amortised cost	130.03	142.78

Note 59.03: Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

60 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Resource mobilisation	23.03	148.09
Membership fees	-	0.00
Total	**23.03**	**148.09**

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

Remittances in foreign currencies

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Right issue expenses	0.26	-
Total	**0.26**	**-**

61 DETAILS OF CSR EXPENSES

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Gross amount required to be spent by the Company during the year	62.91	52.82
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	64.96	53.16
Yet to be paid in cash	-	-
Total	**64.96**	**53.16**

62 MOVEMENT IN PROVISIONS

(Rs. in crores)

Particulars	As at March 31, 2020	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2021
Provision for taxes- contested	92.75	-	-	92.75

(Rs. in crores)

Particulars	As at April 01, 2019	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2020
Provision for taxes- contested	92.75	-	-	92.75

The above provisions relate to disputed tax demands in relation to VAT and Service tax. Due to the very nature of such provisions and the litigations involved, it is not possible to estimate the timing/ uncertainties relating to their outflows.

63 NOTE ON COVID

The Company had granted moratorium upto six months on the payment of installments falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package' and RBI guidelines on EMI moratorium dated April 17, 2020. Further, period for which moratorium was granted had not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI and DPD freeze for such period by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Company continued to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The COVID -19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Company's business operations. The Company has considered an additional Expected Credit Loss (ECL) provision on Loans of Rs. 1,681.84 crores on account of COVID – 19 during the year ended March 31, 2021. As at March 31, 2021, additional ECL provision on Loan Assets as management overlay on account of COVID - 19 stood at Rs. 2,591.48 crores. The additional ECL provision on account of COVID – 19 is based on the Company's historical experience, collection efficiencies post completion of Moratorium period, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

64 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date.

65 FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 2,003.76 crores (March 31, 2020: Rs. 1,758.76 crores) in favour of trustees representing the public deposit holders of the Company.

66

During the year ended March 31, 2021, the Company has invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 for the year ended March 31, 2021

(Rs. in crores)

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal Loans #	21,460	481.05	-	70.18	39.50
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**21,460**	**481.05**	**-**	**70.18**	**39.50**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

pertains to automobile loans

The above increase in provisions of Rs. 39.50 crores on account of the implementation of the resolution plan is as per Ind AS.

66 **(Contd.)**

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP.BC/4/21.04.048/2020-21 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" having exposure less than or equal to Rs. 25 crores for the year ended March 31, 2021:

(Rs. in crores)

No. of accounts restructured	Amount
1,275	32.39

67 Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr.) vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 in accordance with Note No.63 and provision had been made accordingly. The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection, the Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

68 The Company had credited an ex-gratia amount of Rs. 231.28 crores for the payment of difference between the compound interest and simple interest to the accounts of borrowers in specified loan accounts between March 1, 2020 and August 31, 2020 as per the eligibility criteria and other features as mentioned in the notification dated October 23, 2020 issued by Government of India, Ministry of Finance, Department of Financial Services. The Company had filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification and same was received on March 31, 2021.

69 In accordance with the instructions in aforementioned RBI circular dated April 07, 2021, and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021, the Company has put in place a Board approved policy to refund/ adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to the eligible borrowers under the abovementioned circular and advisory. The Company has estimated the benefit to be extended to the eligible borrowers at Rs. 36.54 crores and created a liability / credited the Borrower's account towards the estimated interest relief and reduced the same from the interest income.

70 The Company manages its foreign currency risks through foreign exchange forward contracts and interest rate swaps. Till March 31, 2020, the Company was following derivative accounting where changes in fair value were recognised in the statement of profit and loss. Effective April 01, 2020, the Company has adopted hedge accounting. Had the Company not followed hedge accounting, profit before tax for the year ended March 31, 2021 would have been lower by Rs. 124.31 crores and other comprehensive income for the year ended March 31, 2021 would have been higher by Rs. 124.31 crores respectively.

71 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

72 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

Sumant Sakhardande
Partner

Membership No. 034828
Mumbai
April 29, 2021

Pijush Kumar Gupta
Partner

Membership No. 015139
Gurugram
April 29, 2021

S. Lakshminarayanan
Chairman

DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman &
Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

Additional information as required by paragraph 2 of the general instructions for preparation of Consolidated Financial statements to schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Asset, i.e, total assets minus total liabilities		Shares in profit or loss	
	As % of Consolidated net assets	Amount (Rs. in crore)	As % of Consolidated profit or loss	Amount (Rs. in crore)
1	2	3	4	5
Parent				
Shriram Transport Finance Company Limited	99.31%	21,568.37	99.54%	2,487.26
Subsidiaries				
Indian	Not applicable	Not applicable	Not applicable	Not applicable
Foreign	Not applicable	Not applicable	Not applicable	Not applicable
Minority interests in all subsidiaries	Not applicable	Not applicable	Not applicable	Not applicable
Associates (Investment as per the equity method)				
Indian				
Shriram Automall India Limited	0.63%	137.15	0.46%	11.57
Foreign	Not applicable	Not applicable	Not applicable	Not applicable
Inter-company eliminations and consolidation adjustments	0.05%	11.77	0.00%	-
Joint Ventures (as per proportionate consolidation / investment as per the equity method)				
Indian	Not applicable	Not applicable	Not applicable	Not applicable
Foreign	Not applicable	Not applicable	Not applicable	Not applicable
Total	**100.00%**	**21,717.29**	**100.00%**	**2,498.83**

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

SHRIRAM TRANSPORT FINANCE COMPANY LIMITED

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu, India Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666
Website: **www.stfc.in Email id: secretarial@stfc.in.**

NOTICE

NOTICE is hereby given that the Forty-Second Annual General Meeting of the Members of SHRIRAM TRANSPORT FINANCE COMPANY LIMITED (the Company) will be held on Thursday, June 24, 2021 at 2.00 p.m. through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') facility to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon and in this regard, pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** the audited financial statements including Balance Sheet of the Company as at March 31, 2021, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Directors' and Auditors' Reports thereon, placed before the meeting, be and are hereby considered and adopted."

2. **To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, together with the Report of the Auditors thereon and in this regard, pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** the audited consolidated financial statements including Balance Sheet of the Company as at March 31, 2021, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Auditors' Reports thereon, placed before the meeting, be and are hereby considered and adopted."

3. **To declare a Final Dividend of Rs. 6/- per Equity Share of Rs. 10/- each and to confirm the payment of two interim dividends aggregating to Rs. 12/- per Equity Share of Rs. 10/- each, first interim dividend of Rs. 6/- per Equity Share of Rs.10/- each and second interim dividend of Rs. 6/- per Equity share of Rs. 10/- each declared by the Board of Directors in their meetings held on October 29, 2020 and on March 25, 2021 respectively, for the financial year ended March 31, 2021 and in this regard, pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** the Company do declare and pay a final dividend of Rs. 6/- per equity share of face value of Rs. 10/- each on 253061513 equity shares of face value of Rs. 10/- each fully paid-up absorbing Rs. 151,83,69,078/, subject to deduction of tax at source, as applicable for the financial year ended March 31, 2021 to those Members whose names will appear on the Register of Members or who will be the beneficial owners of equity shares of the Company on June 17, 2021.

   RESOLVED FURTHER THAT the First Interim Dividend of Rs. 6/- per equity share of face value of Rs. 10/- each on 253061513 equity shares of face value of Rs. 10/- each fully paid-up absorbing Rs.151,83,69,078/- for the financial year ended March 31, 2021, paid to the eligible Members on November 26, 2020, subject to deduction of tax at source, as applicable be and is hereby noted and confirmed."

   RESOLVED FURTHER THAT the Second Interim Dividend of Rs. 6/- per equity share of face value of Rs. 10/- each on 253061513 equity shares of face value of Rs.10/- each fully paid-up absorbing Rs. 151,83,69,078/- for the financial year ended March 31, 2021, paid to the eligible Members on April 16, 2021, subject to deduction of tax at source, as applicable be and is hereby noted and confirmed."

4. **To appoint a director in place of Mr. D. V. Ravi (DIN 00171603), who retires by rotation at this meeting, and being eligible offers himself for re-appointment as a Director of the Company and in this regard, pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. D. V. Ravi (DIN 00171603), who retires by rotation at this meeting, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

5. **To fix remuneration of M/s Haribhakti & Co. LLP, Chartered Accountants Firm (Firm Registration No.103523W/W100048), Joint Statutory Auditors of the Company and in this regard, pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 142 and other applicable provisions, if any, of

the Companies Act, 2013 ("the Act"), the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ('Circular'/'Guidelines') issued by Reserve Bank of India (RBI), M/s Haribhakti & Co. LLP, Chartered Accountants Firm (Firm Registration No.103523W/W100048) (hereinafter referred to as 'the Joint Statutory Auditors') be paid remuneration of Rs. 62,00,000/- (exclusive of certification fees, good and services tax and reimbursement of out of pocket expenses) for holding the office for the entire financial year ending March 31, 2022 and in the event the Joint Statutory Auditors hold the office for a part of the Financial Year ending March 31, 2022, they be paid remuneration depending upon scope of their work on pro-rata basis as may be fixed by the Board Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds, matters and things and to take all decisions as it may deem fit in its absolute discretion to give effect to the above resolution."

6. **To fix remuneration of M/s Pijush Gupta & Co. Chartered Accountants (Firm Registration No. 309015E), Joint Statutory Auditors of the Company and in this regard, pass the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27,2021 ('Circular'/'Guidelines') issued by Reserve Bank of India (RBI), M/s Pijush Gupta & Co. Chartered Accountants, Gurugram (Firm Registration No. 309015E) (hereinafter referred to as 'the Joint Statutory Auditors') be paid remuneration of Rs. 37,00,000/- (exclusive of certification fees, good and services tax and reimbursement of out of pocket expenses) for holding the office for the entire financial year ending March 31, 2022 and in the event the Joint Statutory Auditors hold the office for a part of the Financial Year ending March 31, 2022, they shall be paid remuneration depending upon scope of their work on pro-rata basis as may be fixed by the Board Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds, matters and things and to take decisions as it may deem fit in its absolute discretion to give effect to the above resolution."

SPECIAL BUSINESS

7. **To renew authorization for raising capital through issuance of Equity Shares and/or other Eligible Securities with an enhanced limit up to Rs. 4,000/- crores and in this regard, to pass the following resolution as a Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 62,71 and other applicable provisions, if any, of the Companies Act, 2013 (the **"Companies Act"**), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment thereof), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the **"SEBI ICDR Regulations"**), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the **"SEBI LODR Regulations"**), the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the uniform listing agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited, (the **"Stock Exchanges"**), the Foreign Exchange Management Act, 1999 and the rules and regulation framed thereunder, as amended, including Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Depository Receipts Scheme, 2014, as amended, the current Consolidated FDI Policy and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the **"GoI"**), the Reserve Bank of India (the **"RBI"**), and the Securities and Exchange Board of India (the **"SEBI"**), Stock Exchanges, Ministry of Corporate Affairs (**"MCA"**), the Registrar of Companies, Tamil Nadu at Chennai and/ or any other competent authorities, whether in India or abroad, (hereinafter singly or collectively referred to as the **"Appropriate Authorities"**) and subject to necessary approvals, permissions, consents and sanctions as may be necessary from the Appropriate Authorities in this regard and further subject to such terms, conditions, alterations, corrections, changes, variations and/ or modifications as may be prescribed or imposed by the Appropriate Authorities while granting any such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include Securities Issuance Committee

constituted by the Board to exercise its powers, including the powers conferred by this resolution), the approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised on behalf of the Company to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of the Issue and for such categories of persons as maybe permitted), such number of equity shares of the Company of face value of Rs. 10/- each (**"Equity Shares"**) and/or other Eligible Securities defined under Regulation 171(a) of SEBI ICDR Regulations, including Foreign Currency Convertible Bonds (FCCBs), fully convertible debentures/partly convertible debentures, non-convertible debentures with warrants convertible into Equity Shares, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (other **"Eligible Securities"**) up to an aggregate amount of Rs. 4,000/- crore (Rupees Four Thousand crore only) or equivalent thereof in one or more currencies, at such price or prices, at a discount or premium to market price or prices, as permitted under applicable laws (Issue), in any combination in one or more tranches, whether Rupee denominated or denominated in foreign currency, in the course of international and/or domestic offering(s) in one or more foreign markets and/or domestic market, through one or more public issue(s), private placement(s), qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted under applicable laws to eligible investors in the course of domestic or international offerings through issue of placement document and/or a letter of offer and /or circular or other permissible/requisite offer document to Qualified Institutional Buyers (QIBs) as defined under the SEBI ICDR Regulations in accordance with Chapter VI of the SEBI ICDR Regulations including resident or non-resident/foreign investors (whether institutions and/or incorporated bodies and/or trusts or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, banks, qualified foreign investors, Indian and/or multilateral financial institutions, mutual funds, pension funds and/or any other categories of investors or persons who are authorized to invest in the Company's Equity Shares or other Eligible Securities as per the extant regulations or guidelines, whether they be holders of Equity Shares of the Company or not (collectively referred to as "Investors") or any combination of the above as may be deemed appropriate by the Board in its absolute discretion in consultation with book running lead managers appointed for this purpose on such terms and conditions including securities premium and green shoe option attached thereto, at such price or prices (at prevailing market price or at permissible discount or premium to market price in terms of applicable regulations) at the Board's absolute discretion including the discretion to decide the categories of Investors to whom the offer, issue and allotment of Equity Shares and/or other Eligible Securities shall be made to the exclusion of others, subject to applicable law, considering prevailing market conditions and other relevant factors wherever necessary.

RESOLVED FURTHER THAT subject to the provisions of the SEBI ICDR Regulations, in the event the Issue is undertaken by way of Qualified Institutions Placement ("QIP") to Qualified Institutional Buyers (**"QIBs"**) in terms of Chapter VI of the SEBI ICDR Regulations:

(a) the allotment of Equity Shares and/or other Eligible Securities shall only be to Qualified Institutional Buyers as defined in the SEBI ICDR Regulations ("QIBs")

(b) the allotment of such Equity Shares and/or other Eligible Securities, or any combination of Eligible Securities as may be decided by the Board to be completed within a period of 365 days from the date of passing of the Special Resolution by the Members or such other time as may be allowed under the SEBI ICDR Regulations from time to time;

(c) The Equity Shares and/or other Eligible Securities (excluding warrants) shall be allotted as fully paid up.

(d) in case of allotment of Equity Shares, the relevant date for the purpose of pricing of the Equity Shares to be issued, shall be the date of the meeting in which the Board decides to open the QIP for subscription and in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the Issue of such other Eligible Securities or the date on which the holders of such other Eligible Securities become entitled to apply for Equity Shares, as may be determined by the Board;

(e) no single allottee shall be allotted more than fifty per cent of the Issue size and the minimum number of allottees shall be as per the SEBI ICDR Regulations;

(f) To determine and finalize price for issuance of any Equity Shares and/or other Eligible Securities, subject to the price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations (the QIP Floor Price); Provided however, that the Board may, at its absolute discretion, in consultation with the book running lead managers, offer a discount of not more than 5% or such other discount as permitted under applicable law on the QIP Floor Price, calculated in accordance with the pricing formula provided under the SEBI ICDR Regulations;

(g) Any subsequent QIP of Equity Shares and/or other Eligible Securities shall not be made until the expiry of two weeks or such other period as may be permitted by SEBI, from the date of the prior QIP made pursuant to this Special Resolution.

(h) The Equity Shares and/or other Eligible Securities shall not be eligible to be sold by the allottee(s) for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time.

RESOLVED FURTHER THAT in case of offering of any other Eligible Securities convertible into Equity Shares, consent of the shareholders be and is hereby accorded to the Board to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Eligible Securities referred to above in accordance with the terms of issue/ offering in respect of such Eligible Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares and/or other Eligible Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Company to seek listing of any or all of such Equity Shares and/ or other Eligible Securities on one or more Stock Exchanges in India or abroad, as necessary.

RESOLVED FURTHER THAT the Equity Shares that may be issued and allotted, including upon conversion of any other Eligible Securities in accordance with the terms of the offering, shall rank pari passu with the existing Equity Shares of the Company in all respects including entitlement to dividend, voting rights or otherwise.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares and/or other Eligible Securities or instruments representing the same, as described above, the Board be and is hereby authorized to (i) do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of terms and conditions for issuance of the Equity Shares and/or other Eligible Securities, the number of Equity Shares and/or Eligible Securities that may be offered in domestic and international markets and proportion thereof, timing for issuance of such Equity Shares and/or other Eligible Securities (ii) to vary, modify or alter any of the terms and conditions as it may deem expedient, (iii) entering into and executing agreements in relation to arrangements made for managing, marketing, listing, trading and providing legal advice as well as acting as depository, custodian, registrar, trustee, escrow agent (iv) to execute any amendments or supplements thereto, as may be necessary or appropriate (v) to finalize, approve and issue placement document(s), prospectus and/or offer document and/or circular(vi) filing of placement documents(s), prospectus and other documents (in preliminary or final form) with any Indian or foreign regulatory authority or stock exchanges (vii) to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto (viii) to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Equity Shares and/or other Eligible Securities and (ix) take all steps which are incidental and ancillary in this connection, including in relation to utilization of the Issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to seek any approval that is required in relation to the creation, issuance and allotment and listing of the Equity Shares and/or other Eligible Securities, from any statutory or regulatory authority or the stock exchanges in India or abroad, as necessary and that any approvals that may have been applied for by the Board in relation to the creation, issuance and allotment and listing of the Equity Shares and/ or other Eligible Securities be and are hereby approved and ratified by the members."

8. Payment of commission to the Independent Directors of the Company and in this regard, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions, if any, of the

Companies Act, 2013 (hereinafter referred to as the "Act") and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded, for payment of commission to Independent Directors of the Company as may be decided by the Board of directors of the Company for each financial year for a period of three financial years commencing from April 01, 2022 of a sum not exceeding Rs.75 lakhs in aggregate or 1% of the net profits of the Company in any financial year in terms of Section 197 of the Act and computed in the manner referred to in Section 198 of the Act , whichever is lower."

9. **Elevation and re-designation of Mr. Umesh Revankar (DIN 00141189) as Vice Chairman and Managing Director and in this regard, to pass the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT in partial modification of the ordinary resolution passed by the Members of the Company at the 40th Annual General Meeting held on June 27, 2019, for appointment of Mr. Umesh Revankar (DIN 00141189) as Managing Director, designated as Managing Director & CEO ,of the Company for the tenure of five years from October 26, 2019 up to October 25, 2024, consent of the Members be and is hereby accorded for elevation and re-designation of Mr. Umesh Revankar as Vice Chairman and Managing Director of the Company with effect from 1st April, 2021, for the remainder of his tenure i.e. from April 01, 2021 to October 25, 2024."

Notes:

1. In view of the COVID-19 pandemic, the regulatory authorities viz.the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") have permitted conducting the Annual General Meeting through video conferencing ("VC") or other audio-visual means ("OAVM") upto 31st December, 2021. In this regard, the regulatory authorities have issued various Circulars prescribing the procedure and manner of conducting the Annual General Meeting through VC/OAVM Vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021. SEBI has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") ("SEBI Circulars"). In this regard, MCA has issued Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020, Circular No.20/2020 dated 5th May, 2020 and Circular No.02/2021 dated 13th January, 2021 ("MCA Circulars"). In compliance with MCA Circulars and SEBI Circulars, the 42nd Annual General Meeting ("42nd AGM" or "Meeting") of the Members of the Company will be held through VC/OAVM, without the physical presence of the Members at a common venue. The venue of the Meeting shall be deemed to be the registered office of the Company.
2. A Member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. Since this 42nd AGM is being held through VC / OAVM, in terms of the MCA Circulars and SEBI Circulars, the facility for appointment of proxies by the Members will not be available for this 42nd AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the 42nd AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the Scrutinizer by email through its registered email address to srirampcs@gmail.com and may also upload the same at https://evoting.kfintech.com.
4. The Explanatory Statement pursuant to Section 102(1) of the Act, in respect of the special business set out under item nos. 7 to 9 is annexed and forms a part of this Notice.
5. Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from Friday, June 18, 2021 to Thursday, June 24, 2021 (both days inclusive) for the purpose of 42nd AGM of the Company.
6. The payment of final equity dividend, if approved by the Members at the 42nd Annual General Meeting subject to deduction of tax at source will be made on or after Wednesday, July 07, 2021 as under :
   a) to all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL) as of the end of business hours on Thursday, June 17, 2021 and
   b) To all those Members holding shares in physical form after giving effect to all valid share transmission and transposition requests lodged with the Company before the closing hours on Thursday, June 17, 2021.
7. A brief detail of the director, who is being re-appointed, is annexed hereto as per the requirements of Regulation26(4)

and 36(3) of the SEBI Listing Regulations, as amended and the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ('ICSI').

8. At the 38th AGM held on June 29, 2017 the Members approved appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants Firm (Firm Registration No.103523W/W100048) and M/s. Pijush Gupta & Co. Chartered Accountants, Gurugram (Firm Registration No. 309015E) as joint Auditors of the Company to hold office from the conclusion of 38th AGM till the conclusion of the 43rd AGM, subject to ratification of their appointment by Members at every AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of joint auditors at the 42nd AGM.

9. The facility of joining the 42nd AGM through VC/ OAVM will be opened 30 minutes before and will be open upto 15 minutes after the scheduled start time of the 42nd AGM, i.e. from 01.30 p.m. to 02.15 p.m. and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

10. Institutional investors, who are members of the Company, are encouraged to attend and vote at the 42nd AGM of the Company.

11. In terms of sections 101 and 136 of the Act read with the rules made thereunder, the listed companies may send the notice of 42nd AGM and the annual report, including financial statements, boards' report, etc. by electronic mode. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the 42nd AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for F.Y.2020-21 will also be available on the Company's website www.stfc.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Private Limited ('KFin') at https://evoting.kfintech.com.

12. Further, those members who have not registered their email addresses and in consequence could not be served the Annual Report for F.Y.2020-21 and Notice of 42nd AGM, may temporarily get themselves registered with Company's Registrar and Transfer Agent, Integrated Registry Management Services Private Limited ("Integrated") by clicking the link: https://www.integratedindia.in/DR_Email_Registration.aspx for receiving the same.

13. Members attending the 42nd AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

14. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on June 17, 2021 being Cut-off Date.

15. (a) For non-individual members, who acquires shares of the Company and becomes a Member after despatch of the Notice, but holds shares as on the Cut-off Date for remote e-voting i.e. June 17, 2021, may obtain the login Id and password by sending a request at evoting@kfintech.com or csdstd@integratedindia.in.

    b) For Individual members who are holding shares in NSDL and CDSL should login through the sites of NSDL and CDSL can cast the votes during remote e-voting period.

    c) However, for VC/OAVM meeting the members should login at https://emeetings.kfintech.com to participate in the meeting and also to cast vote in case they have not voted during remote e-voting period

    For details on login method of e-voting please refer the instructions below under the head "**Voting through electronic means**"

16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the 42nd AGM.

17. Since the 42nd AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

18. On August 19, 2020, the Registered office of the Company was shifted from the premises at Mookambika Complex, 3rd Floor, No.4, Lady Desika Road, Mylapore, Chennai – 600 004 to the new premises at Sri Towers, Plot No.14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032 within the local limits of City.

19. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Chennai, Tamil Nadu - 600 032:

    i) Register of contracts or arrangements in which directors are interested under Section 189 of the Act.

    ii) Register of directors and key managerial personnel and their shareholding under Section 170 of the Act.

In accordance with the MCA Circulars, the Statutory Registers will be made accessible for inspection through electronic mode and shall remain open and be accessible to any Member during the continuance of the 42nd AGM.

20. The Board of Directors has appointed Mr. P. Sriram, Practising Company Secretary (Membership No. FCS 4862), Chennai as the Scrutinizer to scrutinize the remote e-voting process and at the 42nd AGM in a fair and transparent manner and he has consented to act as scrutinizer.

21. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Integrated for assistance in this regard.

22. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register their e-mail address with their Depository Participant(s) (DP) in case the shares are held by them in electronic form and with Integrated in case the shares are held by them in physical form for receiving all communication including Annual Report, Notices, Financial Results etc. from the Company electronically.

23. As per the Income-tax Act, 1961 ('the Act'), as amended by the Finance Act, 2020, dividends declared or distributed or paid by a Company on or after April 1, 2020 shall be taxable in the hands of the Members and the Company shall be required to deduct tax at source ('TDS') at the prescribed rates from the dividend to be paid to members at the time of distribution or payment of dividend. The tax so deducted will be paid to the credit of the Central Government. The TDS rate would vary depending on the residential status of the Members and the documents submitted by them and accepted by the Company in accordance with the applicable provisions of the Act. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC, etc., to their Depository Participants in case the shares are held by them in electronic form and to Integrated in case the shares are held by them in physical form. A separate email will be sent at the registered email id of the members describing about the detailed process to submit the documents/declarations alongwith the formats in respect of deduction of tax at source of the final equity dividend payout. The intimation will also be uploaded on the website of the Company www.stfc.in.

    A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source in the link : https://www.integratedindia.in/ExemptionFormSubmission.aspx on or before June 17, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF / JPG Format) under the link : https://www.integratedindia.in/ExemptionFormSubmission.aspx. The aforesaid declarations and documents need to be submitted by the shareholders on or before June 17, 2021. For further details, please refer to FAQs on Taxation of Dividend https://bit.ly/3whsNDJ

24. Loss of Shares: In case of loss/misplacement of share certificates, Members should immediately lodge a complaint/FIR with the police and inform the Company's Registrar and Transfer Agent, Integrated for the procedure of obtaining the duplicate share certificates.

25. Nomination Facility: As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with Company's Registrar and Transfer Agent, Integrated. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.

26. Non-Resident shareholders: Non-Resident shareholders are requested to immediately notify the following to the Company in respect of shares held in Physical form and to their DPs in respect of shares held in Dematerialized form:

- Indian address for sending all communications, if not provided so far;
- Change in their residential status on return to India for permanent settlement;

- Particulars of the Bank Account maintained with a bank in India, if not furnished earlier; and
- RBI Permission number with date to facilitate prompt credit of dividend in their Bank Accounts

27. Members holding shares in physical form, are requested to convert their physical shareholding in to dematerialized shareholding. Please note that transfer of shares in physical form is not permissible as per SEBI guidelines. In this regard, the Members/legal heirs of deceased members are also requested to open demat account simultaneously for dematerializing the shares to their demat account(s) after transmission of shares in their name by the Registrar and Transfer Agent of the Company.

28. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.

29. Transfer of unclaimed dividend transferred to Investor Education and Protection Fund

i. Pursuant to the provisions of Section 125 of the Companies Act, 2013, the dividends which remain unclaimed for a period of 7 years will be transferred by the Company to the "Investor Education and Protection Fund" (IEPF) established by the Central Government as and when they fall due. Shareholders who have not encashed their dividend warrant/ payment instrument(s) so far are requested to make their claim to the Company's Corporate Office or to Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street North Usman Road, T Nagar, Chennai - 600 017 before transfer to IEPF on the respective dates mentioned below. The intimation in this regard is being sent to the concerned shareholders.

Year ending on March 31	Dividend to be transferred to IEPF		Year ending on March 31	Dividend to be transferred to IEPF	
	Final Dividend	Interim Dividend		Final Dividend	Interim Dividend
2014	14/08/2021	-	2018	31/08/2025	07/12/2024
2015	05/09/2022	25/11/2021	2019	02/08/2026	30/11/2025
2016	01/09/2023	04/12/2022	2020	-	29/11/2026
2017	04/08/2024	30/11/2023	2021	-	1. 04/12/2027
					2. 30/04/2028

ii) Transfer of Equity Shares to Investor Education and Protection Fund – As per Government of India Gazette notification No. REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by Ministry of Corporate Affairs(MCA), the Company is required to transfer the shares to Investor Education and Protection Fund Authority (IEPF Authority), the shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF Authority as per Section 124 of the Act, and the applicable rules. Accordingly, during the financial year 2020-2021 the Company had transferred 52,211 Equity shares of Rs. 10/- each in respect of which the following dividend was not claimed/remained unpaid for seven consecutive years as per the below mentioned table.

Financial Year	Type of Dividend	No. of Shares Transferred to IEPF Authority	IEPF 4 Form Filing date
2012-2013	Final Dividend	22,447	07/09/2020
2013-2014	Interim Dividend	29,764	01/01/2021

The Members who have a claim on above dividends and equity shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5. During the financial year ended March 31, 2021, the Company had received requests from investors for claiming dividends, fixed deposits and equity shares from IEPF Authority. Information on the procedures to be followed for claiming the dividend/shares/fixed deposits are available on the weblink: http://www.iepf.gov.in/IEPF/refund.html

No claims shall lie against the Company in respect of the dividend, shares, etc. so transferred.

Voting through electronic means

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations, and in terms of Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 issued by SEBI in relation to e-Voting Facility, the Members are provided the facility to cast their vote electronically, through the remote e-voting services. The e-voting facility on the date of AGM will be provided to the members by M/s KFin Technologies Private Limited ('KFin'), for voting on all the resolutions set out in this Notice.

The remote e-voting period commences on Monday, June 21, 2021 (9.00 a.m. IST) and ends on Wednesday, June 23, 2021 (5:00 p.m. IST). During this period, members holding shares either in physical form or in dematerialized form, as on Thursday, June 17, 2021 i.e. Cut-off Date, may cast their vote electronically. Person who is not a Member as on the Cut-off Date should treat this Notice for information purpose only. The e-voting module shall be disabled by Kfin for voting thereafter. Those members, who will be present in the 42nd AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the 42nd AGM.

The details of the process and manner for remote e-voting for individuals, non- individuals and members holding in physical form are explained herein below:

LOGIN METHOD FOR E-VOTING :

I) Applicable only for Individual shareholders holding securities in Demat

As per the SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual members holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

NSDL	CDSL
1. User already registered for IDeAS facility:	**1. Existing user who have opted for Easi / Easiest**
I. URL: https://eservices.nsdl.com	I. URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com
II. Click on the "Beneficial Owner" icon under 'IDeAS' section.	II. Click on New System Myeasi
III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"	III. Login with user id and password.
IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.	IV. Option will be made available to reach e-Voting page without any further authentication.
2. User not registered for IDeAS e-Services	V. Click on e-Voting service provider name to cast your vote.
I. To register click on link : https://eservices.nsdl.com	**2. User not registered for Easi/Easiest**
II. Select "Register Online for IDeAS"	I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
III. Proceed with completing the required fields.	II. Proceed with completing the required fields.
3. User not registered for IDeAS e-Services	**3. By visiting the e-Voting website of CDSL**
I. **To register click on link :** https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp	I. URL: www.cdslindia.com
ii. Proceed with completing the required fields.	II. Provide demat Account Number and PAN No.
4. By visiting the e-Voting website of NSDL	III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.
I. URL: https://www.evoting.nsdl.com/	IV. After successful authentication, user will be provided links for the respective ESP where the e- Voting is in progress.
II. Click on the icon "Login" which is available under 'Shareholder/Member' section.	
III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.	
IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.	
V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	

Individual Members (holding securities in demat mode) login through their depository participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

IMPORTANT NOTE:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

II) Applicable for non-Individual members

Login method for non-individual members are given below :

I. Procedure and Instructions for remote e-voting are as under:

(i) Initial password is provided in the body of the email.

(ii) Launch internet browser and type the URL: https://evoting.kfintech.com in the address bar.

(iii) Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./ DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, use your existing User ID and password for casting your votes.

(iv) After entering the details appropriately, click on LOGIN.

(v) You will reach the password change menu wherein you will be required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) You need to login again with the new credentials.

(vii) On successful login, the system will prompt you to select the EVENT i.e. Shriram Transport Finance Company Limited.

(viii) On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

(ix) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

(x) Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

(xi) Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (pdf/jpg format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at srirampcs@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'STFCL_EVENT No.'.

(xii) In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of https://evoting.kfintech.com or call KFin on 18003094001(toll free). You may also contact Mr. Vivek Achwal, Company Secretary to address the grievances connected with remote e-voting at Corporate Office, Tel. No. +91-022-40959508, Email-id- secretarial@stfc.in.

II. Process for those members whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice:

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to evoting@kfintech.com/ csdstd@integratedindia.in

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to secretarial@stfc.in/csdstd@integratedindia.in

III. Instructions for attending/joining the 42nd AGM through VC/OAVM are as under:

1. Members will be able to attend the 42nd AGM through VC/OAVM facility provided by KFin at https://emeetings.kfintech.com by clicking on the tab 'Video Conference' and using their remote e-voting login credentials. The link for 42nd AGM will be available in members login where the EVENT and the name of the Company can be selected.
2. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned under heading 'I' above.
3. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
4. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
5. While all efforts will be made to make the VC/OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may, at times, experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
6. **AGM Questions prior to 42nd AGM:** Members who would like to express their views/ask questions during the 42nd AGM may log into https://emeetings.kfintech.com/ and click on "Post your Questions". Thereafter, the Members may post their queries/views in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. "Post your Questions" shall commence on Saturday, June 19, 2021 (9:00 a.m. IST) and close on Tuesday, June 22,2021 (5:00 p.m. IST). Please note that only questions of the members holding the shares as on cut-off date will be considered.
7. **Speaker Registration during 42nd AGM session:** Members who would to express their views/ask questions during the 42nd AGM may log into https://emeetings.kfintech.com and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on Saturday, June 19, 2021 (9:00 a.m. IST) and close on Tuesday, June 22, 2021 (5:00 p.m. IST). Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the 42nd AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the 42nd AGM.
8. A video guide assisting the members attending 42nd AGM either as a speaker or participant is available for quick reference at: https://emeetings.kfintech.com/video/howitworks.aspx
9. Members who need technical assistance before or during the 42nd AGM can contact KFin at evoting@ kfintech.com or helpline – 1800 309 4001.

IV. Instructions for e-voting at the 42nd AGM are as under:-

1. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the Chairman during the 42nd AGM proceedings. Members shall click on the same to take them to the "instapoll" page.
2. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
3. Only those Members, who will be present in the 42nd AGM through VC/OAVM facility and have not cast their vote through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting at the 42nd AGM.

V. Scrutinizer's Report and declaration of results:

i. The Scrutinizer shall, immediately after the conclusion of voting at the 42nd AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting and make a consolidated Scrutinizers' report of the total votes cast in favour or against, not later than 48(forty eight) hours of the conclusion of the 42nd AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

ii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.stfc.in and on the website of Kfin at https://evoting.kfintech.com immediately after the declaration of results by the Chairman and communicate to the National Stock Exchange of India Limited and BSE Limited. The resolutions shall be deemed to be passed at the 42nd AGM of the Company.

By Order of the Board
For Shriram Transport Finance Company Ltd.
Vivek Achwal
Company Secretary
Membership No. : ACS 8061

Mumbai
April 29, 2021
CIN: L65191TN1979PLC007874
Regd. Office: Sri Towers, Plot No.14A, South Phase,
Industrial Estate, Guindy, Chennai 600 032
Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666.
Website: www.stfc.in Email id: secretarial@stfc.in.

ANNEXURE TO NOTICE

Explanatory Statement

ITEM NOS. 5 & 6

Pursuant to the provisions of Section 139 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014, M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 103523W/W100048) and M/s Pijush Gupta & Co. Chartered Accountants, Gurugram (Firm Registration No. 309015E) have been appointed as Joint Statutory Auditors of the Company at the 38th Annual General Meeting held on June 29, 2017 to hold office from the conclusion of the 38th Annual General Meeting until the conclusion of the 43rd Annual General Meeting of the Company.

The Company seeks approval of Members every year at the Annual General Meeting for payment of remuneration (exclusive of certification fees, good and services tax and reimbursement of out of pocket expenses) to the Joint Statutory Auditors for the financial year based on recommendation of the Audit Committee and approval of the Board of Directors pursuant to Section 142 of the Act.

Reserve Bank of India (RBI) issued guidelines on appointment of statutory auditor (s) by Non-Banking Financial Company (NBFC) vide Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 (**'Circular'/'Guidelines'**). RBI has given flexibility to Non-Banking Financial Companies (NBFCs) to adopt these Guidelines from H2 (second half) of the Financial Year 2021-22 in order to ensure that there is no disruption. Accordingly, the NBFCs shall appoint Statutory Auditors for a continuous period of three years from Financial Year 2021-22.

The current Joint Statutory Auditors of the Company have conducted audit of the accounts of the Company for four consecutive financial years ending March 31, 2021.

In order to give time to NBFCs for smooth transition, Finance Industry Development Council (FIDC), a representative body of asset and loan financing NBFCs, has made request to RBI that the Circular shall be made applicable to NBFCs from April 1, 2022 i.e. from Financial Year 2022-23.

In the event RBI accedes to the request of FIDC, it is proposed that the current Joint Statutory Auditors of the Company will continue to hold their office till end of such period as may be permitted by the law. In that event, it is proposed that they shall be paid the remuneration for conducting audit of Company's accounts for the full financial year ending March 31, 2022. Otherwise, it is proposed that the Joint Auditors shall be paid remuneration as may be fixed by the Board of Directors of the Company depending upon scope of their work on pro-rata basis for holding the office of Joint Statutory Auditors for part of the Financial year 2021-22 as mentioned in the resolution at Item Nos.5 and 6 of this Notice

The Audit Committee and the Board of Directors commends passing of the resolution as set out in Nos.5 & 6 of the Notice. None of the Directors or Key Managerial Personnel nor their relatives are concerned or interested financially or otherwise in the proposed resolution.

IITEM NO. 7

The Board of Directors in its meeting held on June 15, 2020 approved fund raising through issuance of Equity Shares and/or other Eligible Securities aggregating to Rs. 2,500/- crores through various permissible modes including qualified institution placement (QIP), public issue, private placement, etc. In this regard, the Members of the Company in the last 41st Annual General Meeting held on August 19, 2020 had passed a Special Resolution according their approval to the issuance of the Equity shares and/or Eligible Securities. The said approval is valid for a period of 365 days from the date of passing of the said Special Resolution.

The Board of Directors in its meeting held on April 29, 2021 approved renewal of authorization for raising capital through issuance of Equity Shares and/or other Eligible Securities with an enhanced limit up to Rs. 4,000/- crores through various permissible modes including qualified institution placement (QIP), preferential issue and private placement.

The Board considers that strengthening the Company's capital base and balance sheet is important and the proposal of fund raising up to Rs. 4,000/- crores will help the Company to augment the long-term resources for meeting funding requirements of its business activities, financing the future growth opportunities, general corporate purposes and other purposes including effectively facing challenges of the uncertainties and disruptions caused by COVID-19 pandemic.

The type of securities could be Equity shares and/or fully convertible debentures/partly convertible debentures, secured and/or unsecured Foreign Currency Convertible Bonds (FCCBs), non-convertible debentures with warrants convertible into Equity Shares, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or

subscribe to Equity Shares or any combination thereof ('other Eligible Securities') depending upon the prevailing market conditions. One or more Qualified Institutions Placement(s), public issue(s), private placement(s) could be used to issue such Equity shares or other Eligible Securities in one or more tranches and/or one or more issuances for an aggregate amount up to and not exceeding Rs. 4,000/- crores.

The issue of Equity Shares and /or other Eligible Securities shall be made having due regard to the prevailing market conditions and any other relevant factors. The detailed terms and conditions for the issue(s)/offering(s) including price and timing of the Issue will be determined by the Board (which shall mean and include the Securities Issuance Committee) in its sole discretion in consultation with the advisors, book running lead managers and such other authority or authorities as may be necessary.

The allotment of the Equity Shares and/or other Eligible Securities shall be completed within a period of 365 days from passing of this resolution or such other time as may be allowed under SEBI-ICDR Regulations.

The resolutions proposed are enabling approvals and the exact combination of instrument(s), exact price, proportion and timing of the issue of the Equity Shares and/or or other Eligible Securities in one or more tranches and/or issuances and the detailed terms and conditions of such tranche(s)/ issuances will be decided by the Board in consultation with lead managers, advisors and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors after meeting the specific requirements in a manner that the aggregate amount of proceeds in one or more issuances or tranches shall not exceed overall limit of Rs. 4,000/- crores or its equivalent in other currency(ies).

The proposals therefore seek to confer upon the Board the absolute discretion and adequate flexibility to determine the terms of issue(s) and to take all steps which are incidental and ancillary. As the pricing of the offer cannot be decided except at a later stage, it is not possible to state upfront the price of Equity Shares and/or other Eligible Securities to be issued. However, the same would be in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations"), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999, the Companies Act, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, the Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations, 2019, the Foreign Exchange Management (Debt Instruments) Regulations, 2019, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 or any other guidelines/ regulations/ consents, each as amended, as may be applicable or required.

In the event of the issue of the Equity Shares and/or other Eligible Securities as aforesaid by way of a QIP, the Special Resolution also seeks to empower the Board to undertake a QIP as defined by ICDR Regulations, where pricing will be determined in terms of the SEBI ICDR Regulations.

The 'relevant date' shall be determined in accordance with Regulation 171 of the SEBI ICDR Regulations, that is, for Equity Shares, it shall be the date of the meeting of the Board (which term also includes any committee constituted by the Board) where the decision for opening of the QIP issue for subscription is taken. For other Eligible Securities, the 'relevant date' shall be the date of the meeting of the Board decides to open the issue of such Eligible Securities or the date on which the holders of such other Eligible Securities become entitled to apply for the Equity Shares.

Further, Section 62(1)(a) of the Companies Act, 2013 (the "Companies Act") provides, inter alia, that when it is proposed to increase the subscribed capital of the company by issue of further shares, such further shares shall be offered to existing Members of such company in the manner laid down therein unless the Members by way of a Special Resolution decide otherwise. Since the Special Resolution proposed at item No. 7 of the Notice may result in the issue of Equity shares of the Company to persons other than existing Members of the Company, approval of Members is being sought pursuant to provisions of Section 62(1)(c) and other applicable provisions of the Companies Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of SEBI-LODR Regulations. The approval of the Members is being sought pursuant to the provisions of Section 23, 42, 71 and other applicable provisions of the Companies Act and Rules notified under the Act, applicable regulations of SEBI including the SEBI ICDR Regulations, to the extent applicable.

The Board will take all steps to implement the proposal including but not limited to appointment of merchant bankers, book running lead managers, lead managers, legal advisors, depository, custodians, registrar, escrow agents and other intermediaries to advise and assist the Company regarding the issue of Equity Shares and/or other Eligible Securities, meeting and negotiating with the potential investors.

The Equity Shares to be allotted would be listed on one or more stock exchanges. The offer/ issue/ allotment of the Equity Shares and/or other Eligible Securities would be subject to the availability of the regulatory approvals, if any.

In connection with the proposed issue of the Equity Shares and/ or the other Eligible Securities, the Company is required, inter alia, to prepare various documentations and execute various agreements. The Company is yet to identify the investor(s) and decide the quantum of Equity Share and/ or other Eligible Securities to be issued to them. Hence, the details of the proposed allottees, percentage of post offer holding that may be held by them and post offer holding pattern of Equity Shares and /or other Eligible Securities of the Company and other details are not available at this point of time and shall be disclosed by the Company under the applicable regulations in due course (at appropriate times and modes). Accordingly, it is proposed to authorize the Board to identify the investor(s), issue such number of Equity Shares and/or other Eligible Securities, negotiate, finalize and execute such documents and agreements as may be required and do all such acts, deeds and things in this regard for and on behalf of the Company. The issue/ allotment/ conversion would be subject to the applicable regulatory approvals, if any. The conversion of other Eligible Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations.

The Board commends passing of the Special Resolution as per item 7 of the Notice.

None of the Directors, key managerial personnel of the Company and their relatives is concerned or interested in this resolution, except to the extent of Equity Shares and / or other Eligible Securities issued/allotted to the entities in which they are directors or members.

This Notice does not constitute an offer or invitation or solicitation of an offer of securities to the public within or outside India. Nothing in this Notice constitutes an offer of securities for sale or solicitation in any jurisdiction in which such offer or solicitation is not authorized or where it is unlawful to do so.

This announcement is not an offer of securities for sale in the United States. Any securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended ('the Securities Act') or any United States state securities laws, and may not be offered or sold in the United States except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable United States state securities laws. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

ITEM NO. 8

At the Thirty Eighth Annual General Meeting held on June 29, 2017, the Members of the Company approved payment of commission to Non-Executive Independent Directors up to 1% of the net profits of the Company for each financial year, for a period of five years commencing from April 01, 2017 and ending with March 31, 2022. Accordingly, the Board of Directors approved payment of following commission to Independent Directors:

Financial Year	Commission paid/ to be paid* to the Independent Director who held office for full financial year	Total Amount of Commission
2017-18	Rs. 7,50,000/-	Rs. 37,50,000/-
2018-19	Rs. 7,50,000/-	Rs. 37,50,000/-
2019-20	Rs. 7,50,000/-	Rs. 30,00,000/-
2020-21	Rs. 10,00,000/-	Rs. 40,00,000/-

* Commission for FY 2020-21 will be paid after 42nd AGM of the Company

As per Remuneration policy of the Company the Independent Directors who were appointed during any financial year were paid commission on pro-rata basis.

The Company paid following Sitting fees to Independent Directors for every meeting of the Board/Committee attended by the Independent Directors:

Financial Year	Total Amount of Sitting fee
2017-18	Rs. 19,85,000/-
2018-19	Rs. 21,50,000/-
2019-20	Rs. 23,10,000/-
2020-21	Rs. 38,95,000/-

The Sitting fee was paid to independent directors for attending Board/committee meetings during the period from October 29, 2015 up to January 27, 2021

1. Board Meeting – Rs. 50,000/-
2. Committee Meeting - Rs. 25,000/-
3. Independent Directors' Meeting - Rs. 15,000/-

The Board of Directors in its meeting held on January 28, 2021 approved increase in the Sitting fees of Independent Director from January 28, 2021 as under:

1 Board Meeting – Rs. 1,00,000/-
2. Audit Committee Meeting - Rs. 50,000/-
3. Other Committee Meeting – Rs. 35,000 /-
4. Independent Directors' Meeting - Rs. 35,000/-

The Company is being immensely benefited from the expertise, advice and inputs provided by the Independent Directors during the meetings.The Independent directors devote their valuable time meetings Joint Statutory Auditors and Rating Agencies. The Independent Directors deliberate with senior management personnel on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advices, suggestion and guidance to the management of the Company from time to time. Taking into account of their roles and

responsibilities, the Board of Directors of the Company at its meeting held on April 29, 2021 have recommended for the approval of the Members payment of commission to Independent directors for a further period of three financial years with effect from April 01, 2022 up to March 31, 2025 as set out in the resolution, subject to the limit as set out in the Resolution at item No. 8 of this Notice. The commission is proposed to be paid in addition to sitting fees paid to independent directors for attending the Board / Committee meetings. It is hereby clarified that the limit for payment of commission as set out in the Ordinary Resolution at Item No.8 of this Notice does not include the amount of Sitting Fee to be paid to Independent Directors. The amount of commission is determined by the Board of Director every Financial year as per Remuneration policy of the Company. The Remuneration Policy forms part of this 42nd Annual Report for the Financial Year 2020-21.

The Board of Directors consider that the commission proposed to be paid to Independent Directors is reasonable and commensurate with the experience, expertise, skills and time devoted by Independent Directors for the business affairs of the Company. The Board of Directors recommend passing of this resolution as set out in item No. 8 of this Notice.

Mr. S. Lakshminarayanan, Mr. S. Sridhar, Mrs. Kishori Udeshi and Mr. Pradeep Kumar Panja being Independent Directors may be considered as concerned or interested in this matter and passing of the Ordinary Resolution. No other director, Key Managerial Personnel of the Company nor their relative are concerned or interested, financially or otherwise in the proposed resolution.

ITEM NO. 9

The Members of the Company vide an ordinary resolution passed at the 40th Annual General Meeting held on June 29, 2019 approved the re-appointment of Mr. Umesh Revankar (DIN 00141189) as Managing Director & CEO of the Company for a period of five years with effect from October 26, 2019 up to October 25, 2024. The terms and conditions of his re-appointment, including remuneration have been approved by the Members in accordance with the provisions contained in Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Act. The Members had also authorized the Board of Directors and the Nomination and Remuneration Committee to revise, alter and vary the terms and conditions of his re-appointment, including his remuneration, in accordance with the general policy of the Company, subject to the applicable provisions of Schedule V to the Act. Accordingly, the Board of Directors are authorized to approve elevation/re-designation of Mr. Umesh Revankar during the tenure of his appointment. This resolution is being proposed as a matter of abundant caution.

Mr. Umesh Revankar has been playing a significant role in planning/implementing the Company's future growth strategies. During his long association with the Company, he has built a robust organization structure and a team of leaders to implement the Company's future growth strategies. During the challenging and critical period of ongoing COVID-19 pandemic, the Company's performance and liquidity position has been satisfactory due to his strong leadership.

Mr. Umesh Revankar have been working in Shriram Group for more than 25 years, in various capacities and had consistently demonstrated excellent performance throughout his carrier.

Pursuant to the recommendation by the Nomination and Remuneration Committee, the Board of Directors unanimously passed resolution in its meeting held on March 25, 2021 for elevation / re-designation of Mr. Umesh Revankar as Vice Chairman and Managing Director of the Company effective, April 01, 2021.

Except for the change in designation, all other terms and conditions of appointment and remuneration of Mr. Umesh Revankar remain same as approved by the Members of the Company in the 40th Annual General Meeting held on June 27, 2019.

The Board of Directors recommend passing of this resolution as set out in Item no. 9 of this Notice.

Except Mr. Umesh Revankar, none of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolution.

By Order of the Board

For Shriram Transport Finance Company Ltd.

Mumbai
April 29, 2021

Vivek Achwal
Company Secretary
Membership No. : ACS 8061

CIN: L65191TN1979PLC007874
Regd. Office: Sri Towers,14A, South Phase,
Industrial Estate, Guindy, Chennai 600 032,
Tel No:+91 44 4852 4666 Fax:+91 44 4852 5666.
Website: www.stfc.in Email id: secretarial@stfc.in.

Information as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and SS2 - Secretarial Standard on General Meetings with respect to Director's re-appointment:

Name of Director	Mr. D. V. Ravi
Date of Birth and Age	September 05, 1964, Age - 56 years
DIN	00171603
Date of appointment / first appointment on the Board	June 18, 2015
Nationality	Indian
Expertise in specific functional areas	Wide experience in financial service industry, corporate finance, strategic and business planning, governance, ethics and regulatory oversight, Audit & Risk Management, Sustainability, Human Resource, Information Technology, synergy creation and leadership development
Qualifications	Commerce Graduate from the University of Bangalore, Post Graduate Diploma in Management from the Institute of Rural Management, Anand (IRMA).
Directorship held in other companies	1. Shriram Capital Ltd. 2. DRP Consultants Pvt. Ltd. 3. Shriram Properties Holding Pvt. Ltd. 4. Shriram Financial Ventures (Chennai) Pvt. Ltd. 5. Envestor Ventures Ltd. 6 Shriram Credit Company Ltd. 7. Shrilekha Business Consultancy Private Ltd. 8. Take Sports Management Private Ltd. 9. APA Engineering Pvt. Ltd. 10. Eywa Pharma Pte Ltd.
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholders Relationship Committee)	Audit Committee Member: - Shriram Capital Ltd.
Shareholdings in the Company including shareholding as a beneficial owner	NIL
Disclosure of relationships between directors/Key Managerial Personnel inter-se.	There is no inter-se relationship between Mr. D. V. Ravi and the directors on the Board of Directors of the Company and Key Managerial Personnel.
Remuneration to be paid and received from the Company in the F.Y. 2020-21	Nil. The Company does not pay any remuneration to non-executive non- independent director.
Terms and conditions of re-appointment along with details of remuneration sought to be paid	Mr. D. V. Ravi, Director is liable to retirement by rotation. No Remuneration is proposed to be paid to him.
The number of Meetings of the Board attended during the F.Y. 2020-21	Attended all Board Meeting during the Financial Year 2020-21 i.e. Attended 9 out 9 Board Meetings held during FY 2020-21

Mr. D V Ravi, a non-executive non-independent Director, is Managing Director of Shriram Capital Limited, Promoter of the Company. Mr. Ravi is playing key role in formulating and monitoring the implementation of the Group's strategy. He has spearheaded several successful mergers and acquisitions. The Group has made rapid growth under his able leadership. Our Company continues to immensely benefit from his guidance in strategic matters and expert knowledge and advice.

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

Shriram Transport Finance Company Limited
www.stfc.in

SHRIRAM

Transport Finance Company Limited

A WINNING RELATIONSHIP

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FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

CORPORATE
INFORMATION

Corporate Identity Number (CIN)
L65191TN1979PLC007874

BOARD OF DIRECTORS

Mr. S. Lakshminarayanan	Chairman (Independent)
Mr. Umesh Revankar	Vice Chairman & Managing Director
Mrs. Kishori Udeshi	(Independent)
Mr. S. Sridhar	(Independent)
Mr. Pradeep Kumar Panja	(Independent)
Mr. D. V. Ravi	
Mr. Ignatius Michael Viljoen	
Mr. Y. S. Chakravarti (w.e.f. 13.12.2021)	
Mr. Parag Sharma (w.e.f. 13.12. 2021)	Joint Managing Director and Chief Financial Officer

SENIOR MANAGEMENT TEAM

Mr. S. Sunder, Joint Managing Director

Mr. P. Sridharan, Joint Managing Director

Mr. Sudarshan Holla, Joint Managing Director

Mr. Nilesh Odedara, Joint Managing Director

Mr. Vivek Achwal, Company Secretary

Mr. U. Balasundara Rao, Chief Information Officer

Mr. Hardeep Singh Tur, Chief Risk Officer

AUDITORS

(w.e.f. September 15, 2021)
M/s. Khimji Kunverji & Co LLP, Chartered Accountants (name change to KKC & Associates LLP, Chartered Accountants w.e.f. May 24, 2022)

M/s. Sundaram & Srinivasan, Chartered Accountants

(upto September 15, 2021)

M/s. Haribhakti & Co., LLP, Chartered Accountants

M/s. Pijush Gupta & Co., Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

Integrated Registry Management Services Private Limited
2nd Floor, 'Kences Towers, No. 1,
Ramakrishna Street, North Usman Road,
T. Nagar, Chennai - 600 017. Tel No. : +91 44 281 40801/02/03, Fax: +91 44 2814 2479

DEBENTURE TRUSTEES

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg,
Dadar West, Mumbai- 400 028.
Mr. Anil Grover
Tel No. : + 91 22 6230 0451, Fax: +91 22 6230 0700
debenturetrustee@axistrustee.com

Catalyst Trusteeship Limited
Office No. 604, 6th floor, Windsor, C.S.T. Road,
Kalina, Santacruz (East), Mumbai 400098.
Mr. Umesh Salvi
Tel No. : +91 22 – 49220555, Fax: +91 22 49220505
ComplianceCTL-Mumbai@ctltrustee.com

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17, R Kamani Marg,
Ballard Estate, Mumbai – 400 001.
Mr. Ritobrata Mitra
Tel No. : +91 22 40807000, Fax: + 91 22 66311776
rmitra@idbitrustee.com; itsl@idbitrustee.com

REGISTERED OFFICE

Sri Towers, Plot No.14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu. Tel: +91 44 4852 4666 Fax: +91 44 4852 5666.

CORPORATE OFFICE

Wockhardt Towers, Level-3, West Wing, C-2, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra. Tel No. : +91 22 4095 9595, Fax: +91 22 4095 9597

EQUITY SHARES LISTED ON

National Stock Exchange of India Limited
BSE Limited

LIST OF BANKS AND INSTITUTIONS

BANKS

- Australia and New Zealand Banking Group Limited
- Axis Bank Limited
- Bank of Baroda
- Bank of India
- Bank of Maharashtra
- Bank of America, N.A.
- Bandhan Bank Limited
- Barclays Bank PLC
- BNP Paribas SA
- Canara Bank
- Central Bank of India
- Citibank N.A.
- Chang Hwa Commercial Bank Ltd.
- Credit Suisse AG
- DBS Bank India Limited
- Deutsche Bank AG
- Dhanlaxmi Bank Limited
- Doha Bank
- Emirates NBD Bank PJSC
- Equitas Small Finance Bank
- HDFC Bank Limited
- Hua Nan Commercial Bank Ltd.
- ICICI Bank Limited
- IDFC First Bank Limited
- Indian Bank
- Indian Overseas Bank
- IndusInd Bank Limited
- ING Bank, a Branch of ING-DiBa AG
- Jana Small Finance Bank
- JP Morgan Chase Bank N.A.
- KEB Hana Bank
- Kotak Mahindra Bank Limited
- MUFG Bank
- PT Bank Rakyat (Indonesia) Persero Tbk
- Punjab & Sind Bank
- Punjab National Bank
- Qatar National Bank (Q.P.S.C.)
- RBL Bank Limited
- South Indian Bank Limited
- Standard Chartered Bank
- State Bank of India
- SBM Bank (India) Limited
- Sumitomo Mitsui Banking Corporation
- SinoPac Capital International (HK) Limited
- The Hongkong and Shanghai Banking Corporation Limited
- The National Bank of Ras Al Khamirah
- The Federal Bank Limited
- The Shanghai Commercial & Savings Bank Ltd.
- UCO Bank
- Union Bank of India
- Woori Bank
- Yes Bank Limited

INSTITUTIONS

- International Finance Corporation (IFC)
- Life Insurance Corporation of India (LIC)
- Micro Units Development and Refinance Agency Ltd (MUDRA)
- National Bank for Agriculture and Rural Development (NABARD)
- NEC Capital Solutions Limited
- Oesterreichische Entwicklungsbank AG (OeEB)
- Proparco
- Small Industries Development Bank of India (SIDBI)

Shriram Transport Finance Company Limited (STFC) is the flagship company of Shriram Group – a diversified group with interests in financial services viz. Commercial vehicle finance, Consumer Finance, life and general insurance, stock broking, chit funds and distribution of financial products such as life and general insurance products and units of mutual funds.

Established in 1979, STFC is an asset financing Non-Banking Finance Company.

Headquartered in Mumbai, STFC has played a credible role in financial inclusion of millions of First Time Buyers (FTBs) and driver-turned-owner (DTO) by offering affordable finance on pre-owned commercial vehicles (CVs).

A professionally managed company, STFC has fostered the culture of entrepreneurship across all levels in the organization. Presently, the company is driven by **25,456** employees (including business team ~19,000) championing a unique "relationship-based" business model through a pan-India network comprising **1,854** branches, **775** rural centers and partnerships with ~**500** private financiers.

STFC, being a pioneer in pre-owned CV segment, has institutionalized its expertise in loan origination, valuation and collection. Over the years, STFC has created "an ecosystem of empowerment" by expanding its products and services to encompass similar asset classes (pre-owned and new commercial and passenger vehicles, tractors, 3 wheelers, multi-utility vehicles, etc.) and ancillary services (finance for working capital, engine replacement, small business finance loans, tyre-loans and fuel loans as holistic financing support).

STFC is listed on the BSE Ltd (stock code: 511218) and the National Stock Exchange of India Ltd (stock code: SRTRANSFIN). Its market capitalization as on March 31, 2022 stood at **Rs. 30,677 crores**.

PERFORMANCE IN NUMBERS

STANDALONE BASIS

Assets under management stands at **Rs. 127,041** crores

Total income for the year **Rs. 19,274** crores

Profit after tax for the year **Rs. 2,708** crores

Net interest income for the year **Rs. 9,316** crores

Earnings per share for the year **Rs. 101.74**

ANNUAL

PERFORMANCE TRENDS STANDALONE BASIS

ASSETS UNDER MANAGEMENT (Rs. crores)

TOTAL INCOME (Rs. crores)

NET INTEREST INCOME (Rs. crores)

NET PROFIT (Rs. crores)

EPS (BASIC) (Rs.)

STAGE 3 (%)

OUR REACH

BRANCH NETWORK AS ON MARCH 31, 2022 : 1,854 BRANCHES

List of branches with addresses is available on the Company's website at the web link:
http://www.stfc.in/branch-locator.aspx

Environmental, Social and Governance Report

Vision

People First!
STFC was set up with the objective of offering the common man host of products and services that would be helpful to put them on the path to prosperity.

Our Core Values

'Operational Efficiency, integrity and catering needs of common people'

Overview of our Business Areas

Shriram Transport Finance Company Limited (STFC) is the flagship company of Shriram Group – a diversified group with interests in financial services viz. Commercial vehicle finance, Consumer finance, Life and General insurance, Stock broking, Chit funds and distribution of financial products such as life and general insurance products and units of mutual funds.

Commitment to our Company's Environmental Social and Governance Aspects

UN SDGs Outline

STFC is complying with SDG-8 Promote inclusive and sustainable economic growth, employment & decent work for all; SDG-9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation; SDG-10 Reduce inequality within and among countries, SDG-11 Make cities inclusive, safe, resilient and sustainable. To support these endeavours, we are focusing on various initiatives to cater to the needs of socially and economically lower sections of the society, looking towards digitalization for getting closer to our customers, driving employee development initiatives as well as welfare activities for employee and their families.

Environmentally Responsible

We are constantly striving to be an environmentally responsible organization. As financing of pre-owned vehicles is an essential part of our business, we've developed a set of eligibility criteria to determine whether the vehicles are environmentally friendly and suitable for our customers' use. We finance vehicles up to 12 years old, all vehicles must have a Pollution Under Control (PUC) certificate as well as a competence certificate and insurance. We always encourage our clients to drive vehicles that utilize cleaner fuels and we ensure that majority of our loan cycle activities are done digitally. To promote digital collection of Loan instalments and investment in Fixed Deposits, we had offered cashback on online payment of Loan EMIs and differential interest rates on Fixed Deposits to the customers who invested through online mode. During the Financial Year 2021-22, the digital Collection of Loan EMIs and Fixed Deposits were 27.09% and 11.02% respectively. We have requested our shareholders to opt for soft copies of annual reports and other relevant documents. For payment of interest, dividend, maturity amount of debentures and fixed desposits, etc. we make continuous appeal to the investors to furnish their bank account details to enable Company to use electronic mediums (like NECS, NEFT, RTGS) of payment/remittance in line with our initiatives for paperless, faster, safer and secure transfer of funds. We are also continuously making efforts to switch from paper-based agreements to e-agreements. Also, all our loan disbursements are in digital/electronic mode i.e., all loans are disbursed digitally in a paperless format.

Energy Conservation

For future generations, we have prioritized the preservation of our world and ecology. Our home and working environments will be healthier as we become more "Green." STFC is dedicated to helping the planet achieve its Green Quotient.

At some of our branch offices, we've implemented energy-saving measures and replaced traditional lighting fixtures with LEDs. In our branch offices, we've installed 5-star certified air conditioners. Old technology and gadgets that are inefficient are replaced with more efficient alternatives, like inverters instead of DG Sets and video conferencing facilities are prioritized instead of employee travel. All electronic equipment in offices should be turned off at regular intervals. Water usage has been restricted, and sensor-based taps have been fitted. To eliminate printing on letterheads, we have inculcated use of digital signature on all communications. In comparison to Financial Years 2018-19 and 2019-20, printing of letterheads and envelopes has decreased significantly in financial year 2021-22.

"Shri Prakruti" is our endeavour to encourage STFC branches and employees to be more environmentally conscious, responsible and ethical. One move in this manner "The Green Branch Contest". As a result, our branches have been requested to take on such initiatives and demonstrate their efforts to make the branches **Go Green** by implementing various eco-friendly measures that can be implemented on a long-term basis. STFC received over 500 entries and the winners were recently announced, along with rewards for the entire branch staff.

We are taking steps towards supporting Indian economy in Electric Vehicles (EVs), a market witnessing emergence of new players. We, at STFC will join hands to contribute our best towards growing demand of EVs. We are working towards financing electric vehicles in the two-wheeler segment, and the vehicle continues to attract the interest of potential buyers. We will diligently work towards establishing the right environment for EV uptake and integration.

Green Innovations

- We commute in a different way
- Efficiency in energy usage
- Environment friendly office saving
- Décor, training programs on paper

We've changed the way we commute: It saves fuel, money, and the environment

- Encouraged staff to use Public Transport for work
- Brought in Car-pooling & Ride sharing system
- Motivated nearby living staff for Walking/Cycling to reach office

Upgraded Office Décor that is environmentally sustainable

- Indoor plants in the Office Workspace & Trees planted all around the office
- Introduced ECO friendly stationery like Paper pen with seeds, decomposable garbage bags etc.
- Banned plastics inside Office, including food parcels in plastic covers
- Started using exclusive dustbins for biodegradable & non degradable wastes

Energy saving challenges have been introduced to control consumption and Costs

- Bi-Monthly Electricity Unit Consumption Audit is being conducted
- Installed Energy saving lights with motion sensors at appropriate locations
- Installed 5-star rated air conditioners in all our branch offices
- Installed water sensor-based taps at all locations for water conservation

Created awareness on Paper saving & Printing Practices

- Shredding old files, papers & Sale to scrap vendors for grind mill
- Strict implementation on taking print only if necessary

Go Green Cycle rally was held to raise awareness among the general population in the area

The Lunch & Learn concept was launched to discuss Go Green concepts and implementation.

Planted trees & ensured watering and growing of trees alongside office area road

Initiated a "Waste Walk" concept among employees for a bi-monthly walk within and around the office to clear undesirable waste products from biodegradable and non-biodegradable dustbins

Implemented Rainwater harvesting by storing water in Sump & routing to garden area through connecting pipes to collect rainwater from RCC / Warehouse Roof top

Introduced gifting indoor plants to staff on special occasions like Birthday to keep it on their workstation tabletop

Working with the Communities

We began our journey in 1979 to meet the needs of our country's perceived underserved and frequently disregarded financially disadvantaged populace. We envisioned a financially self-sufficient society in which peoples' dreams of becoming entrepreneurs to provide prosperity, social position, and prestige to their families are realized. We realized that individuals who require the most financial assistance frequently have the fewest resources. Interest rates are frequently prohibitive, and service providers are not always available in all areas of the country. As a result of these circumstances, we decided to concentrate on the commercial and passenger vehicle segments. We began providing financial services to small road transport operators and first time buyers of new and used commercial vehicles.

Diversity in our Workforce

We have a total workforce of 25,456 individuals including 1,398 permanent female employees and 27 permanent disabled employees. We have a woman on our board of directors, and three women hold senior executive positions.

Employee benefits

All of our employees are covered under life, health and accidental insurance. The Company's low attrition rate demonstrates our commitment to our employees' progress and well-being.

Skills Training

Our digital transformation path has been aided by our peoples' training and the development of a culture of adaptation to constant change. Over the last few years, we've provided 100% of our learning interventions electronically. This has allowed us to extend the reach of learning outside the physical classroom, which was especially useful during the lockdown. Through digital learning, we are now able to reach over 90% of our staff.

Employees covered under various engagement activities are as below:

Sr. No.	Name of the program	No. of employees covered (During F.Y. 2021-22)
1	Induction Program	6,001
2	Refresher Program	18,680
3	Future Leadership Program	109
4	Management Education Scheme	3,424

Apart from training, management interacts with the employees in the form of periodical reviews wherein key stakeholders ensure that the employee is well directed and oriented towards the desired learning and performance parameters.

Enriching Lives of our Customers

Over time, our understanding of the many issues faced by the country's trucking community has aided us in building and diversifying our product line to assist them in overcoming these challenges. We've also started several skill development programmes for truck drivers to generate income, promote entrepreneurship as token of our gratitude to our clients and their affiliates. We keep our clients' trust by securing their data and information while providing them with fair results. We ensure that all consumer feedback is included across all of our products and business lines by operating with high standards of conduct.

Our solutions enable people to fulfill their needs

Social Finance Framework

We also have developed the Social Finance Framework in the year 2020, under which we issue Social Financing Instruments ("SFI"), inter-alia, social bond(s), to finance or refinance a portfolio of new and/or existing Eligible Social Projects to promote sustainability. This Framework outlines the criteria and guidelines for the allocation of proceeds as per International Capital Market Association ("ICMA") Social Bond Principles 2018 ("SBP") as permitted by the ECB Guidelines. We have engaged independent external agencies to give Second party opinion and independent assurance on our Social Finance Framework.

Eligible use of proceeds of Social bonds:

- Provision of financing for Small Road Transport Operators and First Time Buyers from underserved communities across India at favourable interest rates. To exclude vehicles that are used in environmental unfriendly sectors such as extraction, refining, or transportation of coal.
- Provision for suitable financial instruments and supporting services for micro, small and medium-sized enterprises in India, in accordance with the definition in India's Micro, Small & Medium Enterprises Development Act, 2006.

- Provision of affordable loans to help communities alleviate income through promoting entrepreneurship from low-income states as defined by World Bank.

On 18th of January 2022, we have issued 4.15% Senior Secured Notes due 2025 (Social Bonds) worth USD 475 Million under the USD 3.5 Billion Global Medium Term Note Programme to the Qualified Institutional Buyers (QIBs) under the Rule 144A of the U.S. Securities Act 1933 and to the eligible investors outside United States under Regulation S of the U.S. Securities Act 1933. The Social Bonds issue received good response from investors with oversubscription by more than 2.5 times. The Social Bonds are listed on the Singapore Exchange Securities Trading Limited, NSE IFSC Limited and India International Exchange (IFSC) Ltd. ('India INX').

Governance Structure

Board of Directors

S. Lakshminarayanan
Chairman

Umesh Govind Revankar
Vice Chairman &
Managing Director

Parag Sharma

Kishori Udeshi

S. Sridhar

Pradeep Kumar Panja

D.V. Ravi

Y.S. Chakravarti

Ignatius Michael Viljoen

Our company has an internal governance structure that includes a Board of Directors made up of specialists from several disciplines who advise us on how to improve the value we provide for all of our stakeholders. Senior management employees, led by the Vice Chairman and Managing Director, are in charge of the Company's day-to-day operations, general supervision, direction, and control. The Board of Directors examines the Company's policies, goals, and performance appraisals on a regular basis. There are no significant, financial, or commercial transaction(s) between independent directors and the Company that could cause a conflict of interest with the Company as a whole. The Company's efficient operation is ensured by various committees constituted by the board of Directors.

These Committees represent various functions our business is segregated into and are constituted as per the applicable legal requirements. They are responsible for enhancement of long-term shareholder value, assisting the management in decision-making and prudent financial management along with maintaining transparency and professionalism across the Company. The Committees are also delegated with the responsibility of achieving excellence in Corporate Governance by conforming to the applicable guidelines and reviewing the existing systems periodically for further improvements.

The details of the Company's Corporate Governance are presented separately in the Corporate Governance Report of this Annual Report. As a further reflection of our highest commitment to ESG principles, we have constituted ESG Committee and the terms of reference of the same are mentioned in the Corporate Governance Report also forming part of this Annual Report.

It is our constant endeavour to improve the quality of life of the economically weaker sections of the society and help them in achieving financial independence. Keeping this in mind, a separate Business Responsibility Report also forming part of this Annual Report, describes the Company's approach towards creating positive environmental and social outcomes across the nine principles of business responsibility.

STFC understands that its governance processes must ensure that the resources are utilized in a manner that meets stakeholders' aspirations and societal expectations. There are policies and frameworks in place for managing and monitoring the STFC ethical conduct across all its engagements.

The policies include

- Code of Conduct for the Board of Directors and Senior Management Personnel
- Code for Independent Directors
- Code of Conduct for Collections taking Possession of Asset
- Fair Practice Code
- Prohibition of Insider Trading Code
- Policy on Appointment/Re-appointment of Statutory Auditors
- Interest Rate policy
- Policy on Material Subsidiaries
- Policy on Materiality of Related Party and dealing with Related Party Transactions Transactions
- Policy for Preservation of Documents and Archival Policy
- Policy on Disclosure of Material Events
- Policy on Performance Evaluation of Directors
- Policy on Board Diversity
- Remuneration Policy
- Business Responsibility Policy
- CSR Policy
- Dividend Distribution Policy
- Whistle Blower Policy/Vigil Mechanism

Corporate Governance Framework

The Managing Director is responsible for the overall affairs of the STFC, under the superintendence, guidance and control of the Board of Directors.

The Company envisages multiple growth opportunities going forward and a robust organisation structure is put in place to handle the future exponential growth of the Company.

Joint Managing Directors are responsible for Growth, Development and Profitability of branches in the Geographical Units (GU) allocated to each of them. They, under the guidance of Managing Director, oversee various business functions.

For and on behalf of the Board of Directors
S. Lakshminarayanan

Mumbai
April 28, 2022

Chairman
(DIN: 02808698)

Management Discussion and Analysis

OVERVIEW OF INDIAN ECONOMY FY 2021-22

The Financial Year 2021-22 was fairly a year of recovery from the adverse impacts of COVID-19 pandemic. The Indian economy successfully faced the challenges posed by the second and third waves of the pandemic, thanks to successful implementation of vaccination program, untiring services of the front line warriors, fiscal and monetary policies, stimulus measures of Reserve Bank of India, central and state governments which gave a much-needed cushion for the stability of the economy.

According to the second advance estimates of India's Gross Domestic Product (GDP) published by the National Statistical Office for the financial year 2021-22, GDP growth in the first and second quarter was 20.1% and 8.4% respectively. In the third quarter, the GDP growth slowed down to 5.4%. In the fourth quarter, India witnessed third wave of infection but remained largely unaffected owing to vaccination of large proportion of population. India's GDP growth in Financial Year 2021-22 is estimated at 8.9%, compared to a contraction of 7.3% in Financial Year 2020-21. The Index of Industrial Production grew 11.3% against an 8.4% contraction in Financial Year 2020-21. The consumer and business confidence was resilient with improvement in general economic situation, household incomes, and spending. The economic recovery continued its positive momentum throughout the festive season. The mobility indicators viz. collections from GST, toll and e-way bill generators had demonstrated recovery to pre-pandemic levels since February, 2022. Food-grain production touched a new record in Financial Year 2021-22, with both kharif and rabi output crossing the final estimates for Financial Year 2020-21 as well as the targets set for Financial Year 2021-22. The farm sector remained upbeat due to higher minimum support prices announced by the government. The Economic Survey 2021-22 stated that the total consumption is estimated to have increased by 7.0% in Financial Year 2021-22 with Government consumption contributing the larger pie. Private consumption, on the other hand, is also expected to have improved significantly to its pre-pandemic output levels. The macro-economic indicators suggest that the Indian economy is well on its way to achieve its pre-pandemic growth levels in the current Financial Year 2023.

As a part of rehabilitation measure to reduce the stress caused by COVID-19 pandemic, the government has extended the Emergency Credit Line Guarantee Scheme till March 31, 2023 to provide credit support to small and micro organizations with expansion of guarantee cover by Rs. 50,000 crores to total cover of Rs. 5 lakh crores. It also provisioned additional credit of Rs. 2 lakh crores for Micro and Small Enterprises to be facilitated under the Credit Guarantee Trust for Micro and Small Enterprises. It further accelerated the MSME performance with an outlay of Rs.6,000 crores over five years.

The headline CPI inflation edged up to 6.0 per cent in January 2022 and 6.1 per cent in February, 2022 breaching the upper tolerance threshold. Pick-up in food inflation contributed the most in headline inflation. The geopolitical crisis of Russia-Ukraine war, which started in the last week of February 2022, is casting uncertainty over the global economy, with increased volatility in crude prices and inflationary trends across commodities. The consequential financial sanctions and political pressure from the war are causing unpredictable and undesired implications on the global financial system and our economy due to rising crude oil and other commodity prices leading to higher inflation.

FINANCIAL SERVICES -NBFC SECTOR

Over the past few years, Non-Banking Financial Companies (NBFCs) have played a prominent role in the Indian financial system. They provide financial inclusion to the underserved section of the society that does not have easy access to credit. NBFCs have revolutionized the Indian lending system and have efficiently leveraged digitization to drive efficiency and provide customers with a quick and convenient financing experience. The plethora of services include vehicle financing, MSME financing, home financing, microfinance and other retail segments The Government has consistently worked on the governance measures to strengthen the systemic importance of the NBFCs. As of January 31, 2022 there were approximately 9,495 NBFCs registered with Reserve Bank of India (RBI), of which 49 deposit accepting NBFCs.

The pandemic impacted the NBFCs operations, leading to decline in disbursements across the sectors. However, the support and focus of the Government through various liquidity measures such as repo rate cut, targeted long-term repo operations, special liquidity scheme and partial credit guarantee scheme, kept the sector afloat. The total credit outstanding from the NBFCs for Financial Year 2020-21 stood at Rs.23.75 trillion and is expected to grow by 6-7% in the Financial Year 2021-22. This growth was mainly led by growth in the housing, auto, gold and other retail segments which stood resilient even in the previous fiscal year. While the disbursement and AUM trends improved in the second and third quarters of Financial Year 2021-22, the trend is expected to continue in Q4 of Financial Year 2021-22 due to the limited impact of the third wave of the pandemic. The disbursement growth would have to remain healthier for a sustained AUM growth. Besides, bank credit growth to the NBFC sector improved significantly to 14.6% in February 2022 from 7% a year ago.

Pursuant to RBI circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications, the Company has revised its process of NPA classification to flagging of the borrower accounts as overdue as part of the day-end processes for the due date.

COMMERCIAL AND PASSENGER VEHICLE INDUSTRY

The automotive industry is considered to be one of the major drivers of economic growth due to its linkages with multiple industries. The growth of this sector benefits commodity sector as vehicle manufacturing requires steel, aluminium, plastic, etc. It also holds importance for the NBFC/Banks in form of automobile financing.

According to the data published by Society of Indian Automobile Manufacturers, during the Financial Year 2021-22, there was marginal growth in vehicle production - 2,29,33,230 units. There was 6% de-growth in sale of vehicles- 1,75,13,596 units, comprising of Passenger Vehicles-30,69,499 units, Commercial Vehicles-7,16,566 units, Three-wheeler-2,60,995 units, Two-wheeler-1,34,66,412 units and Quadricycle-124 units. However, the sale of Passenger Vehicle, Commercial Vehicles and Three-wheelers grew by 13.20%, 26.03% and 18.93% respectively. The Commercial vehicle sales comprised of 11,804 units of Passenger Carrier and 2,28,773 units of Goods Carrier in Medium & Heavy Commercial vehicles segment and 19,957 units of Passenger Carrier and 4,56,032 units of Goods Carrier in Light Commercial Vehicles segment.

PRE-OWNED COMMERCIAL VEHICLES

The pre-owned commercial vehicles financing continued to be focus area for the Company ever since its inception. The Company has established its leadership in the segment and created sustainable competitive advantage through deep understanding of the borrower profile and their credit behaviour. The pre-owned commercial vehicles are affordable to aspiring owner-cum-drivers who are small road transport operators with limited banking habits and credit history for verification of creditworthiness. The market for preowned commercial vehicle financing is fragmented and dominated by private financiers in the unorganized sector. The Company has taken initiative to corporatize the preowned CV financing business. The Company's key strengths enable providing finance to pre-owned commercial vehicle operators at favourable interest rates and repayment terms as compared to private financiers in the unorganised sector. The credit evaluation techniques, relationship-based approach, extensive branch network and strong valuation skills make the Company's business model unique and sustainable as compared to other financiers. Further, the business model is easily scalable at local levels throughout India. The Company has an established track record of developing and training recruits on the internally developed valuation techniques, substantial customer knowledge and relationship culture, the Company has developed over the past four decades. The Company has established its leadership in the segment and created sustainable competitive advantage through deep understanding of the borrower profile and their credit behaviour.

FINANCIAL AND OPERATIONAL PERFORMANCE

(Rs. in Crores)

Sr. No.	Particulars	F.Y. 2021-22	F.Y. 2020-21	Change
1	Total Income	19,274.23	17,436.40	10.54%
2	Net Interest Income	9,316.06	8,167.10	14.07%
3	Assets Under Management	127,040.86	117,242.82	8.36%
4	Securitization/Direct assignment done during the year	14,147.16	13,622.00	3.86%
5	Net worth	25,904.55	21,540.73	20.26%
6	Profit after tax	2,707.93	2,487.26	8.87%
7	Capital Adequacy Ratio	22.97%	22.50%	2.09%
8	Return on total assets	1.88%	1.98%	-5.05%
9	Debt equity ratio	4.42	4.92	-10.16%
10	Net Interest margin	6.62%	6.70%	-1.19%
11	Interest coverage ratio	1.95	1.90	2.63%
12	Net profit margin	14.05%	14.26%	-1.47%
13	Return on Net Worth	11.15%	12.58%	-11.37%
14	Stage 3 assets	7.07%	7.06%	0.14%
15	Net stage 3	3.67%	4.22%	-13.03%
16	Return on equity	11.14%	12.57%	-11.38%

During the F.Y. 2021-22, the Stage 3 Assets was 7.07 % as compared to 7.06 % in F.Y. 2020-21. The Stage 3 Assets net of Stage 3 Provision was 3.67 % in F.Y. 2021-22 as compared to 4.22 % in F.Y. 2020-21 due to more provision made on stage 3 assets during the year. There are no significant changes in key financial ratios of the Company for F.Y. 2021-22 as compared to F.Y. 2020-21. The return on equity was 11.14% as on March 31, 2022 as against 12.57% as on March 31, 2021 due to increase in total equity due to further strengthening of capital through successive issue of fresh Equity shares during the financial year 2021-22 at premium through Qualified Institutional Placement of shares to Qualified Institutional Buyers (QIP Issue) and Preferential Issue of shares to promoters while the profit after tax has increased marginally.

HUMAN RESOURCES

The Company has a robust organisation structure with large network of 1,854 branches, 25,456 Employees including 19,475 business team. The Nomination and Remuneration Committee periodically reviews career growth plan of senior management personnel possessing ability to build teams and nurture leaderships for future growth plans of the Company.

As a part of their career planning and succession planning, the Board of Directors, on recommendation of Nomination and Remuneration Committee, promoted members of the core management team, namely Mr. Parag Sharma, Mr. S. Sunder, Mr. P. Sridharan, Mr. Sudarshan Holla and Mr. Nilesh Odedara as Joint Managing Directors and also designated them as Key Managerial Personnel. Mr. U. Balasundara Rao, Chief Information Officer and Mr. Hardeep Singh Tur, Chief Risk Officer have also been designated as Key Managerial Personnel.

There was a net addition of 416 employees during F.Y. 2021-22 and total strength of employees as on March 31, 2022 was 25,456. The average age of the employees is about 31 years. For further details, please refer to the Business Responsibility Report.

SWOT ANALYSIS

Strengths

- Pioneer in the pre-owned commercial vehicles financing sector
- Reputed Asset Financing Company with Pan-India presence across 1,854 branch offices and 775 rural centres for deeper penetration
- Unique relationship-based business model with extensive experience and expertise in credit appraisal and collection process
- The entire Loan portfolio is guaranteed either by an existing customer of the Company or by a customer from the CV industry
- Strong brand name
- Well-defined and scalable organizational structure based on product, territory and process knowledge
- Consistent financial track record with rapid growth in AUM
- Experienced senior management team
- Strong relationships with public, private as well as foreign banks, institutions and investors
- 2.11 million customers across India

Weakness

- Business and growth directly linked with the GDP growth of the country
- Company's Customers-SRTOs and FTBs are more vulnerable to negative effects of economic downturn

Opportunities

- Growth in the commercial vehicles, passenger vehicles and tractors market
- Meeting working capital needs of persons in commercial vehicles eco-system
- Partnerships with private financiers for enhancement of reach without significant investments
- Penetration into rural markets for financing cargo light commercial vehicles and Farm equipment
- On boarding customers on technology platform and effectively used for extending credit on their working capital needs and for also enhancing our digital footprint on recovery
- Higher budgetary allocation by the Government to give boost to infrastructure sector involving construction of roads, new airports, ports etc. creating huge demand for Commercial Vehicles
- Cross selling of insurance products, invoice discounting etc.
- Huge opportunity to finance as more and more customers are likely to go for Technology upgradation
- Opportunity to finance more number of vehicles due to implementation of Vehicle Scrappage Policy

Threats

- Inflation
- Geopolitical crisis
- Longer duration of COVID-19
- Competition from captive finance companies, small banks
- Increase in finance cost due to larger liquidity buffer maintained to face uncertainties of pandemic

RISK MANAGEMENT

The Company is exposed to various risks such as pandemic risk, credit risk, economic risk, interest rate risk, liquidity risk, cash management risk, technology risks, etc. The Company has an Enterprise Risk Management Framework that involves risk identification, risk assessment and risk mitigation planning.

The Board of Directors has constituted a Risk Management Committee consisting of the majority of Directors. The terms of reference of the Risk Management Committee include a periodical review of the risk management policy, risk management plan, implementing and monitoring the

risk management plan and mitigation of the key risks. The Risk owners are accountable to the Risk Committee for identifying, assessing, aggregating, reporting and monitoring the risk related to their respective areas/functions. We have taken Directors and Officers insurance policy cover to mitigate legal risks to directors and senior management.

The Company has taken steps to mitigate the risk of the operation by use of Artificial Intelligence and Machine Learning for automated lending, customer-centric approach, upskilling and re-skilling of its human resources. Our expertise in credit appraisal and collections developed over the past three decades helps in mitigating credit risk. We lend on a relationship-based model applying advanced credit assessment procedures and maintain regular contact with customers. To reduce operation risk, we continuously monitor our internal processes and systems.

To mitigate liquidity risk, we ensure that the short-term and long-term fund resources are favourably matched with deployment. We resort to long-term funding instruments and securitization. We continue to enjoy the trust and support from our investors, security holders, depositors, banks and financial institutions, due to our impeccable record in servicing our debt obligations on time.

To mitigate interest rate risk, we have developed innovative resource mobilization techniques. To reduce liquidity risks, we have diversified the source of fund raising and widened the borrowing options to exploit opportunities and appetite in the international market for bonds of reputed Indian companies. We issued US Dollar senior secured notes in the global market, which are fully hedged. We have adopted prudent fund management practices.

The Company's Asset Liability Management Committee regularly reviews, among others, the interest rate and liquidity risks. We are diversifying our assets portfolio focusing on passenger vehicles and tractors segment. We have also started financing the working capital needs of petrol pumps, tyre dealers, vehicle body builders and workshops forming part of ecosystem of commercial vehicle operations

In order to mitigate cash management risk associated with collection of loan instalments, we have continued our focus on boarding our customers on technology platform. We continue to lay thrust on use of digitization. We have a robust cash management service network. We have started engaging with the customers actively with Digital mode of collections using our MyShriram Mobile Application. We have enabled various modes including BBPS (Wallets) through which the customer can make the payment against his/her loan accounts. We have also collected NACH mandates from some of the customers. During the Financial Year 2021-22, the digital Collection of Loan EMIs and Fixed Deposits were 27.09% and 11.02% respectively. We have adopted stringent checks and internal controls across all branches. At the regional level, the branch collections are monitored and reconciled on a daily basis. The Company intends to soon launch a Super-App where all its existing and new lending products would be offered under single umbrella. This would help the customer access the entire Shriram ecosystem at a single click and result in a seamless customer experience. The Company intends to gather more insights and analytics through this and continue on its path of innovation for future.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company believes that strong internal control system and processes play a critical role in the health of the Company. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these processes and systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines which ensure reliability of financial and all other records. The Internal Audit reports are periodically reviewed by the Audit Committee. The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively. The Company's Internal Auditor performed regular reviews of business processes to assess the effectiveness of internal controls. Internal Audits were carried out to review the adequacy of the internal control systems, compliance with policies and procedures. Internal Audit areas are planned based on inherent risk assessment, risk score and other factors such as probability, impact, significance and strength of the control environment. Further, each area processes/sub-processes risks were properly identified with mitigating controls. Its adequacy is assessed and the operating effectiveness was also tested. The Company has framed risk based internal audit policy as part of its oversight function. The objective of risk based internal audit review is to identify the key activities and controls in the business processes, review effectiveness of business processes and controls, assess the operating effectiveness of internal controls and provide

recommendations for business process and internal control improvement.

COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

The Board of Directors of the Company in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation ("Scheme") involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited with the Company. The said Scheme will be effective after receiving approval of shareholders, creditors, Hon'ble National Company Law Tribunal, Reserve Bank of India and other regulatory and statutory approvals. The Appointed date of the Scheme is April 01, 2022. The Company has already initiated process for seeking various approvals to the Scheme.

FUTURE STRATEGY

The Board has determined the following medium-term and long term strategies to achieve its corporate goals over a period of next 3-5 years:

- Periodical review of pandemic risks, Business Continuity plan, liquidity management
- To focus on digital initiatives to effectively service customers and to educate customers on the digital payment of EMIs
- Effective use and implementation of data analytics in the process of loan disbursement and loan recovery
- Further strengthening the leadership position in financing vehicles
- Further enhancing quality of loan portfolio
- Maintaining customer loyalty through winning relationship and customer satisfaction

OUTLOOK

According to the long-range forecast for the monsoon season by the India Meteorological Department , the southwest monsoon rainfall over India in the current year is most likely to be normal and uniformly distributed.

RBI's Survey of Professional Forecasters (SPF) carried out during March 2022 provide a median GDP growth forecast of 7.5 per cent and inflation forecast of 5.5 per cent for Financial Year 2023.

The policies and schemes of the Indian government such as production-linked incentives and its push toward self-reliance, increased infrastructure spending will start kicking in from current Financial Year 2022-23, leading to a stronger multiplier effect on jobs and income, higher productivity and more efficiency—all leading to accelerated economic growth. The spill-over effects of geopolitical conflicts could enhance India's status as a preferred alternate investment destination. The large vaccinated population should help us contain the impact of subsequent infections waves, if any.

The inflation trajectory will depend upon the evolving geopolitical situation and its impact on global commodity prices and logistics. International crude oil prices may continue to remain volatile and elevated, with considerable uncertainties surrounding global supplies. With the broad-based surge in prices of key industrial inputs and global supply chain disruptions, input cost-push pressures may persist for longer period than expected earlier. This may slowdown India's growth momentum, being a net importer of crude oil.

The Company has built adequate liquidity buffer to pay all its liabilities over the period of next six months. The Company continues to focus on financing of pre-owned commercial and passenger vehicles. Upon coming into effect of the Scheme all its lending products – commercial vehicles, two-wheeler loans, gold loan, personal loan, auto loan and small enterprise finance offered by the companies involved in the Scheme would come under a single roof, thereby creating a financial powerhouse which would end up being a market leader in all the product and consumer segments that it operates in. With this stronger and larger customer franchise, there would also be a significant shift in the Company's pace of innovation. The Company will enhance its product basket with new products catering to a larger universe of both retail & SME customers.

CAUTIONARY STATEMENT

This report contains forward-looking statements extracted from reports of Government Authorities / Bodies, Industry Associations etc., available in the public domain, which may involve risks and uncertainties including, but not limited to, economic conditions, government policies, dependence on certain businesses, and other factors. Actual results, performance, or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto. The Company does not undertake to update these statements.

Directors' Report

To the Members,

Your Directors have pleasure in presenting their Forty-Third Annual Report and the Audited Statements of Accounts for the financial year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

(Rs. in crores)

Particulars	**2021-22**	**2020-21**
Profit Before Depreciation And Taxation	3,684.62	3,415.37
Less: Depreciation, amortisation and impairment	135.37	137.36
Profit Before Tax	**3,549.25**	**3,278.01**
Less: Provision for taxation	841.32	790.75
Profit After Tax	**2,707.93**	**2,487.26**
Add: Balance brought forward from previous year	10,384.13	9,257.73
Balance available for appropriation	13,092.06	11,744.99
Appropriations		
General reserve	(270.80)	(248.73)
Statutory reserve	(541.59)	(497.46)
Debenture redemption reserve	614.13	(311.00)
Dividend on equity shares of Rs.10/- each	(699.88)	(303.67)
Balance carried to Balance Sheet	**12,193.92**	**10,384.13**

CREDIT RATING

The credit rating of the securities/instruments/loans, credit facilities and other borrowings of the Company as on March 31, 2022 was as follows:

Name of Rating Agency	Securities / Instruments/ Loans, Credit Facilities and other Borrowings	Ratings
CRISIL	Bank Loan Long Term	CRISIL AA+/Stable
	Bank Loan Short Term	CRISIL A1+
	Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AA+r/Stable
	Non-Convertible Debentures	CRISIL AA+/ Stable
	Subordinated Debt	CRISIL AA+/Stable
	Commercial Paper	CRISIL A1+
	Fixed Deposit	CRISIL FAAA/Stable
India Ratings & Research Private Limited	Non-Convertible Debentures	IND AA+/ Stable
	Dual Recourse Bond	IND AAA (CE)/Stable
	Principal Protected Market Linked Debentures (Dual Recourse)	IND PP-MLD AAA(CE)emr'/ Stable
	Subordinated Debt	IND AA+ /Stable
	Commercial Paper	IND A1+
CARE	Non-Convertible Debentures	CARE AA+/Stable
	Subordinated Debt	CARE AA+/ Stable
	Commercial Paper	CARE A1+
ICRA	Fixed Deposit	MAA+ with Stable outlook
Standard & Poor's Ratings	Long-Term Issuer Credit Rating	BB-/ Stable
	Short-Term Issuer Credit Rating	B
	Senior Secured Notes	BB-
Fitch Ratings	Long-Term Issuer Default Rating	BB/ Stable Outlook
	Short-Term Issuer Default Rating	B
	Senior Secured Long Term Rating	BB
	Local Currency Long Term Issuer Default Rating	BB/ Stable Outlook

DIVIDEND

The Board of Directors approved payment of two interim dividends for the Financial Year 2021-22:- The first interim dividend of Rs. 8/- per equity share of Rs.10/- each on 268,783,613 equity shares of face value of Rs.10/- each fully paid-up aggregating to Rs. 2,150,268,904/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders for the Financial Year ended March 31, 2022, was declared on October 29, 2021 and the second interim dividend of Rs.12/- per equity share of face value of Rs.10/- each on 270,519,713 equity shares of face value of Rs.10/- each fully paid-up aggregating to Rs. 3,246,236,556 (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders for the Financial Year ended March 31, 2022 was declared on March 5, 2022. The first interim dividend and second interim dividend was paid to eligible Members on November 24, 2021 and March 24, 2022 respectively.

The Board of Directors have not recommended final dividend. Thus the total interim dividend aggregating to Rs. 20/-per share (i.e. 200 %) shall be the final dividend for the financial year 2021-22 as against the total dividend of Rs. 18/- per equity share of Rs. 10/- each fully paid-up (i.e. 180%) for the Financial Year 2020-21.

The Dividend Distribution Policy forms part of the Corporate Governance Report and is also available on the website of the Company at https://bit.ly/3PTulOP

TRANSFER TO RESERVES

The amounts proposed to be transferred to General Reserve, Statutory Reserve and Debenture Redemption Reserve are mentioned in the Financial Highlights under the heading 'Appropriations'.

CAPITAL ADEQUACY RATIO

Your Company's total Capital Adequacy Ratio (CAR), as on March 31, 2022 stood at 22.97% as compared to 22.50% as on March 31, 2021 of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory minimum of 15%. The CAR has substantially improved as result of further strengthening of capital through successive issue of fresh Equity shares during the financial year 2021-22 at premium through Qualified Institutional Placement of shares to Qualified Institutional Buyers (QIP Issue) and Preferential Issue of shares to promoters. The details of the said issue of fresh capital are given under the title Share Capital.

The Tier 1 ratio as on March 31, 2022 improved to 20.70% as against 19.94% as on March 31, 2021. The company's overall gearing (Debt/Tangible Net Worth) as on March 31, 2022 improved to 4.75x as against 5.20x as on March 31, 2021.

The Tier 2 ratio as on March 31, 2022 was 2.27% as against 2.56% as on March 31, 2021.

SCHEME OF ARRANGEMENT

The Board of Directors of the Company in its meeting held on December 13, 2021 have approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter-alia, involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited (SCUF) with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The said Scheme will be effective upon receipt of approval of shareholders, creditors, Hon'ble National Company Law Tribunal, Reserve Bank of India and other regulatory and statutory approvals as applicable with an appointed date of April 01, 2022. Your Company has initiated process for seeking the approval to the Scheme from various regulatory statutory authorities. The Company has received Observation letters under Regulation 37 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") from stock exchanges. The Company has filed the application to National Company Law Tribunal, Chennai seeking directions for convening meeting of shareholders, secured creditors and unsecured creditors. All updates in this regard shall be posted on website of the Company from time to time for information of stakeholders.

OPERATIONS AND COMPANY'S PERFORMANCE

Your Company earned higher Profit Before Tax of Rs. 3,549.25 crores for the Financial Year ended March 31, 2022 as against Rs. 3,278.01 crores in the previous Financial Year ended March 31, 2021 on account of efficient mobilization of funds, reducing cost of finance, improvement of collection efficiency and reduction in costs and overheads. The Profit After Tax for the Financial Year ended March 31, 2022 was Rs. 2,707.93 crores as against Rs. 2,487.26 crores in the previous Financial Year. The total income for the year under consideration was Rs. 19,274.23 crores and total expenditure was Rs. 15,724.98 crores. The detailed analysis of income and expenditure and financial ratios is made in the Management Discussions and Analysis Report forming part of this Report.

Mobilization of funds during the year under review from following sources/instruments was as under:

(Rs. in crores)

Sr. No.	Particulars	2021-22	2020-21
1	Non-Convertible Debentures – Institutional	8,800.00	5,133.30
2	Term Loans from Banks – Secured	25,210.41	17,650.36
3	Term Loans from Financial Institutions/ Corporates – Secured	3,200.00	3,550.00
4	Commercial Papers	4,325.00	200.00
5	Fixed Deposit	11,273.18	6,927.36
6	Inter Corporate Deposits	99.43	176.90
7	External Commercial Borrowings (Loan)	187.35	-
8	Social Bonds (U.S. Dollar Senior Secured Notes)	3,512.86	5,302.85
9	Cash Credit	-	4,197.50

The mobilization of funds of the Company through fixed deposits was substantially higher during the Financial Year ended March 31, 2022 on account of popularity of the Company's Fixed Deposit Schemes due to its long track record of offering better return and safety of investment and giving good services to fixed deposit holders.

The total Assets Under Management had increased to Rs. 127,040.86 crores from Rs. 117,242.82 crores due to continuous focus laid by the Company in financing of pre-owned commercial vehicles which are affordable as compared to new vehicles. During the Financial Year 2021-22, the Company securitized its assets worth Rs. 12,880.16 crores (accounting for 10.14 % of the total assets under management as on March 31, 2022) as against Rs. 13,082.18 crores during the Financial Year 2020-21. With securitisation, the Company ensures better borrowing profile, leading to lower interest liability owing to its lending to priority sector. The outstanding direct assigned portfolio stood at Rs. 1,341.83 crores as on March 31, 2022.

Your Company's relationship based business model enabled it to continue maintaining the leadership position in the pre-owned commercial vehicles financing segment. The Company had 1,854 Branch and other offices across India as on March 31, 2022.

The Company's prudent liquidity management techniques and strategy of maintaining adequate liquidity buffer throughout the Financial Year 2021-22 not only ensured seamless lending for our business operations but also ensured meeting our liabilities on time, thereby further strengthening the trust and confidence reposed on us by our creditors, fixed deposit holders and security holders. This is evident from the success of our fund raising program implemented during the year under review from domestic as well as international market.

ISSUE OF SECURITIES

Share Capital

Qualified Institutional Placement (QIP Issue)

The Members in its 41st Annual General Meeting held on August 19, 2020 accorded approval for the proposal of fund raising through issue of securities up to Rs. 2,500 crore to permitted investors through one or more permitted methods to strengthen the Company's capital base and balance sheet and to augment the long term resources for meeting funding requirements of its business activities, financing the future growth opportunities, general corporate purposes and other purposes including effectively facing challenges of the uncertainties and disruptions caused by COVID-19 pandemic and had constituted the Securities Issuance Committee for this purpose.

The Securities Issuance Committee in its meeting held on June 7, 2021, approved issuance of equity shares under Qualified Institutional Placement (QIP) up to Rs. 2,000 crore The QIP Issue was opened on June 7, 2021 and closed on June 11, 2021. The QIP Issue of Rs. 2,000 crore was over-subscribed by more than 6.3 times.

On June 12, 2021, the Company allotted 13,986,000 Equity Shares of face value Rs.10 each to eligible qualified institutional buyers at the issue price of Rs. 1,430/- per Equity Share (including a premium of Rs. 1,420/- per Equity Share) at a discount of Rs. 3.32 per Equity Share i.e. 0.23% of the floor price of Rs. 1,433.32 per Equity Share, aggregating to Rs. 19,999,980,000/- under the QIP issue. The entire proceeds have been utilised as per the above mentioned objects of the QIP Issue.

Preferential issue of shares and warrants

As a part of their continued commitment and in order to minimise the dilution impact of the QIP on the Promoter's shareholding, Shriram Capital Limited, Promoter of the Company had expressed its desire to subscribe the further equity shares and warrants up to Rs. 500 crore through Preferential Issue. The Preferential Issue enabled the Company to further strengthen the Company's capital base and balance sheet and augmenting the long-term resources for meeting funding requirements of its business activities, financing the future growth opportunities, general corporate purposes.

The Board of Directors of the Company in its meeting held on June 7, 2021 considered the proposal of further fund raising and approved (i) issuance of 1,736,100 equity shares of face value of Rs. 10/- each of the Company ("Equity Share"), fully paid-up, at a price of Rs.1,440/- per Equity Share (including a premium of Rs.1,430/- per Equity Share), aggregating up to Rs. 2,499,984,000/- and (ii) 17,36,100 warrants, each convertible into, or exchangeable for 1 (one) fully paid-up Equity Share each at a price (including the warrant subscription price and the warrant exercise price) of Rs. 1,440/- each ("Warrants") payable in cash, aggregating up to Rs. 2,499,984,000/- to Shriram Capital Limited, Promoters of the Company.

Pursuant to the special resolution, the Members in its Extraordinary General Meeting held on July 7, 2021 approved

the said proposal for Preferential Issue of Equity Shares and Warrants.

On July 8, 2021, the Company received from Shriram Capital Limited, Promoter, the subscription money @ Rs. 1,440/- per Equity Share of face value of Rs. 10 each (including a premium of Rs. 1,430/- per Equity Share) for allotment of 17,36,100 Equity Shares fully paid-up and warrant subscription price @ Rs. 360/- per Warrant, being 25% of the Issue price of Rs. 1,440/- per warrant, for allotment of 17,36,100 Warrants convertible in to fully paid-up Equity Shares. On July 8, 2021 the Company allotted to the Promoter on Preferential basis 17,36,100 Equity Shares fully paid-up aggregating to Rs. 249,99,84,000 for consideration paid in cash and 17,36,100 warrants. Each such warrant of Rs. 1440 (including the warrant subscription price and the warrant exercise price) was convertible into, or exchangeable for 1 fully paid-up Equity Share of the Company having face value of Rs. 10/- each.

On November 24, 2021, Shriram Capital Limited paid the exercise price being the balance amount of 75% of Issue Price of the said Warrants i.e. at Rs. 1,080/- per Warrant, aggregating to Rs. 1,874,988,000/- and submitted the application for allotment of 17,36,100 fully paid-up shares of face value of Rs. 10/- each issued at premium of Rs. 1,430/- per share for conversion of the warrants into equity shares.

Accordingly on November 25, 2021, the Company allotted 1,736,100 fully paid-up Equity shares of face value of Rs. 10/- each to Shriram Capital Limited. The entire proceeds have been utilised as per the above mentioned objects of the Preferential Issue.

Consequent upon allotment of the Equity Shares pursuant to above mentioned QIP Issue and Preferential Issue of shares, the paid-up share capital of the Company stood increased to Rs. 270,51,97,130.

Cancellation of 6,141 equity shares of face value of Rs.10/- each not taken or agreed to be taken by any person from the Issued Share Capital of the Company

Pursuant to the ordinary resolution passed by the shareholders on March 6, 2022 through Postal Ballot, 6,141 Equity shares of face value of Rs. 10 each not taken/agreed to be taken by any person in the Rights Issue of the Company made in the year 1995 were cancelled from the Issued Share Capital of the Company. Accordingly, the Issued, Subscribed and Paid up Equity Share Capital of the Company stood at Rs. 2,705,197,130/- consisting of 270,519,713 fully paid-up equity shares of face value of Rs.10/- each as on March 31, 2022.

None of the Directors of the Company holds instruments convertible into Equity Shares of the Company.

Issue of Senior Secured Notes (Social Bonds)

Commitment towards socio-economic advancement is at the core of the Company's business. Your Company is primarily engaged in providing financial assistance to small road transport operators operating pre-owned/second hand commercial and passenger vehicles viz. goods carrying trucks, passenger taxis, etc. belonging to lower income group and vulnerable strata of the society who do not qualify for bank loans due to the lack of stable income. Considering the additional financing avenue of Social bonds, the Company had developed the Social Finance Framework in January 2020 for issuance of Social Bonds in the international market to finance or refinance a portfolio of new and/or existing Eligible Social Projects to promote sustainability. The Company was sanctioned loans by many international agencies including International Financial Corporation, Proparco, OeEB for the purpose of financing CNG and environment friendly vehicles. The Company's Social Finance Framework meets the criteria and guidelines for the allocation of proceeds of the Social Bonds as per International Capital Market Association ("ICMA") Social Bond Principles 2018 ("SBP"). More details in this regard are available in the ESG Report forming part of this Annual Report. The Social Finance Framework is available on the Company's website at: https://bit.ly/3M0rbFK

On January 4, 2022, the Company has upsized the existing Global Medium Term Note Programme from USD 3,000,000,000 to USD 3,500,000,000 Global Medium Term Note Programme ('Upsized GMTN Programme') through upsized and updated Offering Circular dated January 4, 2022 for issuance of bonds/notes in international markets by way of public/private issue, subject to market conditions.

On January 18, 2022, the Company issued USD 475,000,000 4.15 percent Senior Secured Notes due 2025 (Social Bonds) equivalent to Rs. 35,139,375,000/- under the USD 3,500,000,000 Global Medium Term Note Programme to the Qualified Institutional Buyers (QIBs) under the Rule 144A of the U.S. Securities Act 1933 and to the eligible investors outside United States under Regulation S of the U.S. Securities Act 1933. The Social Bonds issue received good response from investors with oversubscription by more than 2.5 times.

The proceeds of Senior Secured Notes issued have been utilized by the Company to finance investments in Eligible Social Projects in accordance with International Capital Market Association Social Bond Principles 2018 as permitted by the ECB Guidelines.

The said Social Bonds are listed on the Singapore Exchange Securities Trading Limited, India International Exchange (IFSC) Limited ('India INX') and NSE IFSC Limited. All Senior Secured Notes/Social Bonds issued under the USD 3,500,000,000 GMTN Programme are fully hedged to mitigate risk of exchange rate volatility.

FIXED DEPOSITS

During the Financial Year ended March 31, 2022, the Company mobilised substantially higher funds through fixed deposits of Rs. 11,273.18 crores as against Rs. 6,927.36 crores in the Financial Year ended March 31, 2021. As on March 31, 2022, there were 8,060 fixed deposits aggregating to Rs. 111.07 crores that have matured but remained unclaimed. The unclaimed deposits have since reduced to 4,534 deposits amounting to Rs. 52.06 crores. Appropriate steps are being taken continuously to obtain the depositors' instructions so as to ensure renewal/ repayment of the matured deposits in time. There were no deposits, which were claimed but not paid by the Company.

DIRECTORS

Appointment of Directors

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on December 13, 2021 appointed, subject to approval of Members, the following person as directors:

1. Mr. Y. S. Chakravarti (DIN 00052308) as an Additional Director of the Company and
2. Mr. Parag Sharma (DIN 02916744) as an Additional Director and also as Whole-Time Director designated as Joint Managing Director and Chief Financial Officer of the Company with effect from December 13, 2021. His tenure of Whole-Time Directorship will be for a period of five years up to December 12, 2026.

Mr. Y. S. Chakravarti and Mr. Parag Sharma will hold office of Additional Director upto the date of the ensuing 43rd Annual General Meeting (AGM) pursuant to Section 152 of the Companies Act, 2013. The Company has received the notice pursuant to Section 160 of the Act signifying their intention to propose candidatures of Mr. Y. S. Chakravarti and Mr. Parag Sharma for their appointment as directors of the Company in the AGM.

Retirement of director by rotation

Mr. Ignatius Michael Viljoen (DIN 08452443), non-executive non–independent director of the Company will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee in its meeting held on April 19, 2022 has recommended to the Board of Directors and Members, re-appointment of Mr. Ignatius Michael Viljoen as director of the company retiring by rotation. Ignatius Michael Viljoen is a Head of Credit-Sanlam Pan Africa Portfolio Management, South Africa and is responsible for a range of credit risk and credit portfolio management aspects across the various entities owned by the Sanlam Group outside of the Republic of South Africa. His profile is given in the Notice of the ensuing AGM, forming part of this Annual Report.

All the above appointments/re-appointments by the Board of Directors are based on the recommendation of the Nomination and Remuneration Committee. The resolutions for aforementioned appointment/re-appointments and for payment of remuneration to Mr. Parag Sharma, Whole-Time Director designated as Joint Managing Director and Chief Financial Officer of the Company together with requisite disclosures are set out in the Notice of the AGM. The Board recommends the resolutions for appointment / re-appointment of aforementioned directors contained in the Notice of AGM for approval of Members.

Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act"), the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

Policies on appointment of Directors and Remuneration

The management of the Company is immensely benefitted from the guidance, support and mature advice from members of the Board of Directors who are also members of various committees. The Board consists of directors possessing diverse skill, rich experience to enhance quality of its performance. The Company has adopted a Policy on Board Diversity formulated by the Nomination and Remuneration

Committee. The Company's Remuneration Policy has laid down a framework for remuneration of Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. These Policies are available on the Company's website at the weblink: https://bit.ly/3N1u1vI and https://bit.ly/3NMh3lB. The Company has formulated policy on Succession Planning for Directors and Key Managerial Personnel for continuity and smooth functioning of the Company.

Number of Meetings of the Board

10 (Ten) Board Meetings were held during the financial year. The details of the Board and various Committee meetings are given in the Corporate Governance Report.

Performance evaluation at Board and Independent Directors' Meetings

The Board, the Committees of the Board and independent directors continuously strive for efficient functioning of Board and its committees and better corporate governance practices. A formal performance evaluation was carried out at the meeting of the Board of Directors held on April 28, 2022 where the Board made an annual evaluation of its own performance, the performance of directors individually as well as the evaluation of the working of its various Committees for the Financial Year 2021-22 on the basis of a structured questionnaire on performance criteria. The Board expressed its satisfaction with the evaluation process. The observations made during the evaluation process were noted and based on the outcome of the evaluation and feedback of the Directors, the Board and the management agreed on various action points to be implemented in subsequent meetings.

The evaluation process endorsed cohesiveness amongst directors, the openness of the management in sharing the information with the Board and placing various proposals for the Board's consideration and approval.

The Independent Directors met on March 17, 2022 without the presence of other directors or members of Management. All the Independent Directors were present at the meeting. In the meeting, the independent directors reviewed performance of Non–Independent Directors, the Board as a whole and Chairman. They assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The minutes of the Independent Directors' meeting were placed before the Board Meeting held on April 28, 2022 and the same were noted by the Board. The Independent Directors expressed satisfaction over the performance and effectiveness of the Board, individual Non Independent Directors and the Chairman.

They also expressed satisfaction with regard to the flow of information between the company management and the Board. The Management took note of various suggestions made in the meeting of Independent Directors.

The Independent Directors played active role in Board as well as committee meetings in which they are members. In addition to quarterly meetings held for review of unaudited financial results of the Company, the Audit Committee held additional meetings requiring detailed discussions and deliberations including for review of policies, approval of annual budget and special matters such as recommending to the Board the Composite Scheme of Arrangement and Amalgamation. The members of the Audit Committee also had separate meeting with the Joint Statutory Auditors which covered Audit issues in general and the framework and the process of Internal Audit in specific.

KEY MANAGERIAL PERSONNEL

The Nomination and Remuneration Committee periodically reviews career growth plan of senior management personnel who possess ability to build teams and nurture leaderships for future growth plans of the Company. As a part of the career planning of the core team of employees and for smooth succession planning the Board of Directors at its meeting held on October 29, 2021, on recommendation of Nomination and Remuneration Committee have promoted Mr. Parag Sharma, Mr. S. Sunder, Mr. P. Sridharan, Mr. Sudarshan Holla and Mr. Nilesh Odedara as Joint Managing Directors and designated them as Key Managerial Personnel. Mr. U. Balasundara Rao, Chief Information Officer and Mr. Hardeep Singh Tur, Chief Risk Officer have also been designated as Key Managerial Personnel.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, the Directors confirm that, to the best of their knowledge and belief:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) That such accounting policies as mentioned in note 1 to 7 to the financial statements have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company

as at March 31, 2022 and of the profit of the Company for the year ended on that date;

c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts have been prepared on a going concern basis.

e) The Company had followed the internal financial controls laid down by the directors and that such internal financial controls are adequate and were operating effectively.

f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RBI GUIDELINES

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India (RBI) from time to time. The Company appointed Internal Ombudsman and Principal Nodal Officer as per the relevant notifications of RBI to carry out duties and discharge functions as laid down in the said notifications.

The Board of Directors have framed various policies as applicable to the Company including Risk based internal audit policy. The Board periodically reviews the policies and approves amendments as and when necessary.

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report is annexed and forms part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Report for the Financial Year 2021-22 is annexed to this report as Annexure-I. The composition of CSR Committee and the details of the ongoing CSR projects/ programs/activities are included in the CSR report/section. The CSR Policy is uploaded on the Company's website at the web link: https://bit.ly/3wnTqHg.

ANNUAL RETURN

In accordance with the provisions of Section 92(3) of the Act, Annual Return of the Company is hosted on website of the Company at https://www.stfc.in/investors/annual-reports/

DISCLOSURES AS PER THE SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

Conservation of Energy, Technical Absorption and Foreign Exchange Earnings and Outgo

The information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is as follows:

a. The Company continues its initiatives for conservation of energy, the details of which are given in ESG report. The Company's business operations do not involve any activity or technology absorption.

b. The Company did not earn any Foreign Exchange Earnings.

c. Outgo under Foreign Exchange – Rs. 36.63 crores.

Loans, guarantee or investments in securities

The loan made, guarantee given or security provided in the ordinary course of business by a NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such, the particulars of loans and guarantee have not been disclosed in this Report.

During the year under review the Company has invested surplus funds in various securities in the ordinary course of business. For details of the investments of the Company refer to Note 13 of the financial statements.

Contracts or Arrangements with Related Parties

All the related party transactions were entered in ordinary course of business on an arm's length basis. Hence, no disclosure in Form AOC-2 are necessary and the same does not form part of this report. For details of the transactions with related party entered in ordinary course of business on an arm's length basis, refer to the Note 50 to the financial statements.

As required under the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is uploaded on the Company's website at the web link: https://bit.ly/3vfdL1c.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key

Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission paid to Independent Directors.

Whistle Blower Policy/ Vigil Mechanism

The Company's Whistle Blower policy provides a mechanism under which an employee/director of the Company may report unethical behaviour, suspected or actual fraud, violation of code of conduct and personnel policies of the Company. The Vigil Mechanism ensures standards of professionalism, honesty, integrity and ethical behaviour. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website: https://bit.ly/3uy3dZY

Financial summary/highlights

Income for the financial year 2021-22 increased by 10.54 % to Rs. 19,274.23 crores as compared to Rs. 17,436.40 crores in 2020-21;

Income from operations for the financial year 2021-22 was Rs.19,255.17 crores as compared to Rs. 17,420.45 crores in 2020-21, a growth of 10.53 %;

Profit before tax for the financial year 2021-22 was Rs. 3,549.25 crores as compared to Rs. 3,278.01 crores in 2020-21;

Profit after tax for the financial year 2021-22 was Rs. 2,707.93 crores as compared to Rs. 2,487.26 crores in 2020-21.

The overall disbursement during financial year 2021-22 stood at Rs. 60,073.44 crores as compared to Rs. 35,027.51 crores in the previous financial year 2020-21.

Our interest income increased by 8.86 % from Rs.17,128.14 crores for the year ended March 31, 2021 to Rs.18,646.26 crores for the year ended March 31, 2022.

Finance costs increased by 7.51% from Rs. 9,054.26 crores for the year ended March 31, 2021 to Rs. 9,734.31 crores for the year ended March 31, 2022.

Other expenses increased from Rs. 863.23 crores for the year ended March 31, 2021 to Rs. 905.61 crores for the year ended March 31, 2022.

Our fees and commission for the financial year 2021-22 was Rs.100.08 crores as compared to Rs. 115.86 crores in 2020-21.

Risk Management and Internal Financial Control System

The Company's Risk Management Policy deals with identification, mitigation and management of risks across the organization. This has been dealt with the Management Discussion and Analysis annexed to the Annual Report.

The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal financial controls ensure operational effectiveness, reliability of financial data and compliance with applicable laws, regulations and Company's policies.

The financial control framework includes internal controls, delegation of authority procedures, segregation of duties, system access controls, and document filing and storage procedures. The Internal Auditor ensures the continued effectiveness of the Company's internal control system. The Audit Committee reviews internal financial control reports prepared by the internal auditor. The Company has framed risk based internal audit policy as part of its oversight function. The objective of risk based internal audit review is to identify the key activities and controls in the business processes, review effectiveness of business processes and controls, assess the operating effectiveness of internal controls and provide recommendations for business process and internal control improvement.

Composition of Audit Committee

The Audit Committee comprised of following directors namely, Mr. S. Sridhar – Chairman, Mrs. Kishori Udeshi, Mr. Pradeep Kumar Panja, Mr. S. Lakshminarayanan and Mr. Y. S. Chakravarti.

Others

- There were no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company and the date of the Directors' report. The impact of pandemic has been dealt with in the Management Discussion and Analysis annexed to the Annual Report.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future. For other orders, please refer to Note 49 of the financial statement containing details of the contingent liabilities.
- No equity shares were issued with differential rights as to dividend, voting or otherwise.

- No equity shares (including sweat equity shares) were issued to employees of your company, under any scheme.
- The Company has not resorted to any buy back of its equity shares during the year under review.
- There was no change in the nature of business of the Company.
- There was no fraud reported by the Auditors of the Company under the Section 143(12) of the Act to the Audit Committee.
- Your company adopted ISO 27001 standards, practices its processes and upgrades its implementation on regular basis to maintain the information security as per the market trend. The Company is prepared to face emerging cyber threats such as Zero-day attacks, remote access threats and targeted threats. Your company has established disaster recovery centres and various security controls in place to mitigate risks, also safeguard the Company against security breaches and technological lapses located in different seismic zones, periodic upgrading of servers and data storage, adopting new technology for data management. On regular basis different type of system audits are conducted by the external and internal auditors. Board represented IT strategy committee governs the security policies and its implementation as per the company corporate governance process.
- The Company has a policy for prevention of Sexual Harassment for Women at Workplace. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH'). During the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. On March 30, 2022, the Company had arranged Online Orientation Programme, for its Internal Committee Members under POSH Act, at PAN India Level, in order to make them proficient to discharge their duties. The Training was attended by all the Internal Committee Members at PAN India. The Company also added Module on "PREVENTION OF SEXUAL HARASSMENT IN WORKPLACE (POSH) in -MyCoach E-Learning Platform, for sensitising the employees with the provisions under the POSH.
- Disclosure regarding details relating to deposits covered under Chapter V of the Act is not applicable since our company is a Non-Banking Financial Company regulated by Reserve Bank of India. The Company accepts deposits as per Master Direction - non-banking financial companies acceptance of public deposits (Reserve Bank) Directions, 2016.
- The Company has obtained a certificate from the statutory auditor certifying that the Company has complied with the requirements of the Regulation 9 of the Master Direction – Foreign Investment in India with regard to downstream investments.
- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings, Annual General Meetings and Dividend.
- The Company, in the capacity of Financial Creditor, has not filed any applications with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the financial year 2021-22 for recovery of outstanding loans against any customer being Corporate Debtor.
- The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof. – Not Applicable

CONSOLIDATED FINANCIAL STATEMENTS

There was no entity which became or ceased to be subsidiary, joint venture or associate company of the Company during the financial year ended March 31, 2022.

Shriram Automall India Limited (SAMIL), associate of the Company provides fee-based facilitation services for the sale of pre-owned commercial and passenger vehicles, agricultural and construction equipment, dealer's stock of pre-owned two wheelers, etc. repossessed by banks and financing companies. SAMIL has 97 Automalls located across the Country. As per the audited financial statements of SAMIL for the year ended March 31, 2022, its total income from operations and Net Profit was Rs. 191.18 crores and Rs. 29.56 crores respectively, on consolidated basis. The said financial statements of SAMIL will be made available to Members on request. Pursuant to Section 129 of the Act read with Rule 5 to the Companies (Accounts) Rules, 2014, the statement

containing salient features of the financial statement of associate company in Form AOC 1 forms part of this Annual Report. The consolidated financial statements forming part of this Annual Report are prepared in compliance with the applicable Indian Accounting Standards and Listing Regulations. Pursuant to the provisions of Section 136 of the Act, this Annual Report is available on the website of the Company https://www.stfc.in/investors/annual-reports/.

PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Act, read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Disclosure required as under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **Annexure-II.**

AUDITORS

Reserve Bank of India ("RBI") issued guidelines on appointment of statutory auditor(s) by Non-Banking Financial Company ("NBFC") vide Circular RBI/2021-22 /25 Ref. No. DoS. CD.ARG/SEC.01/ 08.91.001/2021-22 dated April 27, 2021 ("RBI Guidelines"). Pursuant to RBI Guidelines, the Audit Firms completing tenure of three financial years in the NBFC were not eligible to continue to hold office as Statutory Auditors of the NBFC. Since the RBI Guidelines were being implemented for the first time for NBFCs from Financial Year 2021-22 and in order to ensure that there is no disruption, the RBI had given flexibility to NBFCs to appoint new Statutory Auditors in the second half of the financial year ending March 31, 2022.

In compliance with the aforesaid RBI Guidelines, the previous joint Statutory Auditors of the Company viz. M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 103523W/ W-100048) and M/s Pijush Gupta & Co. Chartered Accountants, Gurugram (ICAI Firm Registration No. 309015E) vide their respective letters dated August 3, 2021 had communicated to the Company their inability to continue to hold office as joint Statutory Auditors of the Company as they had already completed the tenure of four financial years as on the date of coming into effect the RBI Guidelines and had communicated their intention to resign as the joint Statutory Auditors of the Company on conclusion of Extra-Ordinary General Meeting ("EGM") held by the Company on September 15, 2022 in compliance with the RBI Guidelines.

The Audit Committee and Board of Directors in their respective meetings held on August 3, 2021 took note of the said letters dated August 3, 2021 received from the previous joint Statutory Auditors and had passed resolutions to recommend to the Members of the Company for the approval of the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (ICAI Firm Registration No. 004207S) ("M/s. Sundaram & Srinivasan") and M/s. Khimji Kunverji & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 105146W/ W-100621) ("M/s. Khimji Kunverji & Co LLP"), as new joint Statutory Auditors of the Company for three consecutive financial years ending March 31, 2022, March 31, 2023 and March 31, 2024 in compliance with the RBI Guidelines:

Accordingly and pursuant to Section 139(8)(i) of the Act, the Members of the Company appointed M/s. Sundaram & Srinivasan and M/s. Khimji Kunverji & Co LLP, as Joint Statutory Auditors of the Company at the Extra-Ordinary General Meeting held on September 15, 2021 to hold office from the conclusion of the EGM till the conclusion of this 43rd Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2021-22.

Vide their respective letters dated April 18, 2022 and April 22, 2022, M/s. Sundaram & Srinivasan and M/s. Khimji Kunverji & Co LLP have confirmed that they continue to be eligible for appointment as joint Statutory Auditors for the Financial Years 2022-23 and 2023-24. They have also confirmed that they hold a valid peer review certificate as prescribed under Listing Regulations.

The Audit Committee and the Board of Directors recommends to the Members appointment of M/s. Sundaram & Srinivasan and M/s. Khimji Kunverji & Co LLP to continue as joint Statutory Auditors of the Company for a further term of two years in compliance with RBI guidelines to hold office from conclusion of this 43rd Annual General Meeting till the conclusion of 44th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2022-23 (Second Term) and from conclusion of 44th Annual General Meeting of the Company till the conclusion of 45th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2023-24 ("Third Term"). Approval of the Members is also being sought for fixation of remuneration of joint Statutory Auditors by Board of Directors of the

Company for the financial year 2022-23.

The Auditors' Report to the Members for the year under review does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT

Secretarial Audit Report pursuant to the provisions of Section 204 of the Companies Act, 2013 for the financial year 2021-22 issued by Mr. P. Sriram, Practicing Company Secretary (Certificate of Practice No.3310) (Membership No. FCS 4862) is annexed to this report as **Annexure-III.** The report does not contain any qualification, reservation or adverse remark.

CORPORATE GOVERNANCE

Pursuant to Schedule V of the Listing Regulations the following Reports/Certificates form part of the Annual Report:

- the Report on Corporate Governance;
- the Certificate duly signed by the Vice Chairman & Managing Director and the Joint Managing Director & Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2022 as submitted to the Board of Directors at their meeting held on April 28, 2022;
- the declaration by the Vice Chairman & Managing Director regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct; and
- the Management Discussion & Analysis Report

The Auditors' Certificate on Corporate Governance is annexed to this report as **Annexure-IV.**

ACKNOWLEDGEMENT

The Board of Directors would like to place on record their gratitude for the guidance and co-operation extended by Reserve Bank of India and the other regulatory authorities. The Board takes this opportunity to express their sincere appreciation for the excellent patronage received from the Banks and Financial Institutions and for the continued enthusiasm, total commitment, dedicated efforts of the executives and employees of the Company at all levels. We are also deeply grateful for the continued confidence and faith reposed on us by all the Stakeholders including Shareholders, Depositors, Debenture holders and Debt holders.

For and on behalf of the Board of Directors

S. Lakshminarayanan
Chairman
(DIN: 02808698)

Mumbai
April 28, 2022

ANNEXURE - I

REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2021 – 2022

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

   The objective of CSR Policy of the Company is to continue to contribute towards social welfare projects focusing on providing education, vocational training, promoting health care facilities to economically weaker and underprivileged section of the Society and to do such other activities as may be permissible under Section 135 of the Companies Act, 2013('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014('the Rules').The Company's CSR policy is available on website of the company - https://bit.ly/3hgGqyW

   The details of the CSR activities undertaken can be accessed - https://bit.ly/3fbjkqx

2. The Composition of the CSR Committee:

Name of the Member	Category
Mr. Umesh Revankar - Chairman	Vice Chairman & Managing Director
Mr. S. Lakshminarayanan	Non Executive-Independent Director
Mr. Pradeep Kumar Panja	Non Executive-Independent Director

3. Average net profit of the company for last three financial years:- **Rs. 3,455.82 crores**
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): **Rs. 69.12 crores**
5. Details of CSR spent during the financial year 2021-22
   (a) Total amount spent in the financial year:- Rs. 69.72 crores
   (b) Amount unspent, if any:- Nil
   (c) Manner in which the amount spent during the financial year 2021-2022 is detailed below:-

Sr. No	Nature of Project	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken		Amount outlay (budget) project or Programs Wise (Rs. in Crores)	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Rs. in Crores)	Cumulative expenditure upto the reporting period (Rs. in Crores)	Amount spent: Direct or through implementing agency*
				State	District				
1	**Ongoing Project**	**Education**							
	Ongoing Project	Promoting Primary & Secondary education	Education	Pan India		17.30	17.47	17.47	Implementing Agency
	Ongoing Project	School Scholarship Scheme	Education	Pan India		10.00	11.83	11.83	Implementing Agency
	Ongoing Project	Higher Education Scholarship Scheme	Education	Pan India		1.00	1.18	1.18	Implementing Agency
	Ongoing Project	Promoting research in mathematics and computer science	Education	Tamilnadu	Chennai	5.00	5.00	5.00	Implementing Agency
	Ongoing Project	The Association of people with disability	Education	Karnataka	Bangalore	0.20	0.20	0.20	Implementing Agency

Sr. No	Nature of Project	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken		Amount outlay (budget) project or Programs Wise (Rs. in Crores)	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Rs. in Crores)	Cumulative expenditure upto the reporting period (Rs. in Crores)	Amount spent: Direct or through implementing agency*
				State	District				
	Ongoing Project	Single Teacher School	Education	Tamilnadu	Chennai	1.00	1.00	1.00	Implementing Agency
2	**Ongoing Project**	**Training & Skill Development**							
	Ongoing Project	Drivers' Training Program	Training and skill development	Jharkhand, Madhya Pradesh, Tamil Nadu, Chhattisgarh, Gujarat & Maharashtra	Osmanabad, Jalna, Pune, Mumbai, Nashik, Ahmednagar, Chennai, Thanjavur, Raipur, Jamshedpur, Mahesana and Indore	10.00	10.23	10.23	Implementing Agency
3	**Ongoing Project**	**Preventive Health Care**							
	Ongoing Project	Mobile Medical Unit & Health Clinic	Preventive Health Care	Rajasthan, Maharashtra, Andhra Pradesh, Gujarat, Jharkhand Assam,West Bengal, Bihar,Odisha, Tamil Nadu, Karnataka	Jaipur, Mumbai, Visakhapatnam Nagpur, Vapi, Ranchi, Silchar, Guwahati Hooghly, Patna Bhubaneshwar, Chennai and Bangalore	7.25	7.26	7.26	Implementing Agency
	Ongoing Project	Blood donation -Indian Red Cross Society	Preventive Health Care	Maharashtra	Mumbai	0.21	0.22	0.22	Implementing Agency
	Ongoing Project	Covid-19	Preventive Health Care	Pan India		3.40	3.42	3.42	Direct
4	**Ongoing Project**	**Promotion & development of traditional arts**							
	Ongoing Project	Promotion of art & culture - The South India Club	Preservation of art,culture and heritage	New Delhi		10.00	10.00	10.00	Direct
	Other project	**Any Other Projects Permissable under CSR Rules**							

ANNEXURE - I

(Contd.)

Sr. No	Nature of Project	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken		Amount outlay (budget) project or Programs Wise (Rs. in Crores)	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Rs. in Crores)	Cumulative expenditure upto the reporting period (Rs. in Crores)	Amount spent: Direct or through implementing agency*
				State	District				
5	**Other project**	Miscellaneous expenses	Any Other Projects Permissable under CSR Rules	Maharashtra, Tamilnadu and Telangana	Mumbai, Chennai, Hyderabad	1.50	0.86	0.86	Direct
	Ongoing Project	Annai Charitable Trust	Education	Tamilnadu	Chennai	0.30	0.30	0.30	Direct
		Total				**67.16**	**68.97**	**68.97**	
		Overhead expenses				1.96	0.75	0.75	
		Grand Total				**69.12**	**69.72**	**69.72**	

*Shriram Seva Sankalp Foundation, Buddy4study, Chennai Mathematical Institute, Association of People with Disability, Single Teacher School, Terna Public Charitable Trust, DB Skills Foundation, Piramal Swasthya Management and Research Institute and Indian Red Cross Society were implementing agencies involved in the above projects.

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

   Not Applicable since the Company has spent Rs. 69.72 crores during the financial year 2021 -22 as against the prescribed CSR expenditure of Rs. 69.12 crores as per item 4 of this report.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company :

   The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors
Umesh Revankar
Vice Chairman & Managing Director
(Chairman, CSR Committee)
(DIN :00141189)

Mumbai
April 28, 2022

REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2021 – 22

1. Brief outline on CSR Policy of the Company.

   The objective of CSR Policy of the Company is to continue to contribute towards social welfare projects focusing on providing education, vocational training, promoting health care facilities to economically weaker and underprivileged section of the Society and to do such other activities as may be permissible under Section 135 of the Companies Act, 2013('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014('the Rules').

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Umesh Revankar - Chairman	Vice Chairman & Managing Director	3	3
2	Mr. S. Lakshminarayanan	Non Executive-Independent Director	3	3
3	Mr. Pradeep Kumar Panja	Non Executive-Independent Director	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

   The Company's CSR policy is available on website of the Company **www.stfc.in**.

   https://cdn.stfc.in/common/List-of-Committees.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

   Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1	2020-21	2.05 crores	Nil
2	2019-20	0.34 crores	Nil
	Total	2.39 crores	

6. Average net profit of the company as per section 135(5) :- **Rs. 3,455.82** crores

7. (a) Two percent of average net profit of the company as per section 135(5) :- **Rs. 69.12 crores**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years :- **Nil**

   (c) Amount required to be set off for the financial year, if any :- **Nil**

   (d) Total CSR obligation for the financial year (7a+7b-7c) :- **Rs. 69.12 crores**

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
69.72 crores	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

8. (b) Details of CSR amount spent against ongoing projects for the financial year 2021-22

Sr. No	Type of the Project	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing agency	
					State	District						Name	CSR Registration Number
1	Ongoing project	Promoting Primary & Secondary education	Education	No	Pan India		3years	17,30,00,000.00	17,46,97,991.00	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
2	Ongoing project	School Scholarship Scheme	Education	No	Pan India		3years	10,00,00,000.00	11,82,96,890.00	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
3	Ongoing project	Higher Education Scholarship Scheme	Education	No	Pan India		4years	1,00,00,000.00	1,18,26,922.00	Not Applicable	No	Buddy4Study Foundation	CSR00000121
4	Ongoing project	Promoting research in mathematics and computer science	Education	Yes	Tamilnadu	Chennai	3years	5,00,00,000.00	5,00,00,000.00	Not Applicable	No	Chennai Mathematical Institute	CSR00001760
5	On-going project	The Association of people with disability	Education	No	Karnataka	Bangalore	3years	20,00,000.00	20,18,987.00	Not Applicable	No	Association of People with Disability	CSR00001540
6	Ongoing project	Single Teacher School	Education	Yes	Tamilnadu	Chennai	3years	1,00,00,000.00	1,00,00,000.00	Not Applicable	No	Single Teacher School	CSR00001905
7	Ongoing project	Drivers' Training Program	Training and skill development/ Road Safety awareness Program	Yes	Jharkhand, Madhya Pradesh, Tamil Nadu, Chhattisgarh, Gujarat & Maharashtra	Osmanabad, Jalna, Pune, Mumbai, Nashik, Ahmednagar, Chennai, Thanjavur, Raipur, Jamshedpur, Mahesana and Indore	3years	10,00,00,000.00	10,23,43,155.00	Not Applicable	No	Terna DB Driver Training Institute DB Skills Foundation Shriram Seva Sankalp Foundation	CSR00001159 CSR00009307 CSR00001315
8	Ongoing project	Mobile Medical Unit & Health Clinic	Preventive Health Care	No	Rajasthan, Maharashtra, Andhra Pradesh, Gujarat, Jharkhand, Assam, West Bengal, Bihar, Odisha, TamilNadu, Karnataka	Jaipur, Mumbai, Visakhapatnam, Nagpur, Vapi, Ranchi, Silchar, Guwahati, Hooghly, Patna, Bhubaneshwar, Chennai and Bangalore	3years	7,25,00,000.00	7,25,76,193.00	Not Applicable	No	Piramal Swasthya Management & Research Institute & Shriram Seva Sankalp Foundation	CSR00000217 & CSR00001315
9	Ongoing project	Blood donation -Indian Red Cross Society	Preventive Health Care	No	Maharashtra	Mumbai	3years	21,00,000.00	21,71,722.00	Not Applicable	No	Indian Red Cross Society	CSR00002083
10	Ongoing project	Covid-19	Preventive Health Care	No	Pan India		2years	3,40,00,000	3,41,67,130	Not Applicable	Yes	Direct	Not Applicable
11	Ongoing project	Promotion of art & culture - The South India Club	Preservation of art,culture and heritage	No	New Delhi		3years	10,00,00,000	10,00,00,000.00	Not Applicable	Yes	Direct	Not Applicable
	Total (a)							**65,36,00,000**	**67,80,98,990.00**				

8. (c) Details of CSR amount spent against other than ongoing projects for the financial year 2021-22

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (in Rs.)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation -Through Implementing agency	
				State	District			Name	CSR Registration Number
1	Miscellaneous expenses	Any Other Projects Permissable under CSR Rules	Yes	Maharashtra, Tamilnadu and Telangana	Mumbai, Chennai, Hyderabad	80,87,386.00	Yes	Direct	Not Applicable
i	Annai Charitable Trust	Education	Yes	Tamilnadu	Chennai	30,00,000.00	Yes	Direct	Not Applicable
	Total (b)					**1,10,87,386.00**			
	Total (a+b)					**68,91,86,376.00**			

(d) Amount spent in Administrative Overheads Rs. 74,63,223.00

(e) Amount spent on Impact Assessment, if applicable Rs. 5,62,500.00

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) Rs. 69,72,12,099.00

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
i)	Two percent of average net profit of the company as per Section 135(5)	69.12 crores
ii)	Total amount spent for the Financial Year	69.72 crores
iii)	Excess amount spent for the financial year [(ii)-(i)]	0.60 crores
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.60 crores

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (Rs. in crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6) , if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the fund	Amount (in Rs.)	Date of transfer	
1	2020 - 21	Nil	64.96	Not Applicable	Nil	Not Applicable	Nil
2	2019 - 20	Nil	53.16	Not Applicable	Nil	Not Applicable	Nil
3	2018 - 19	Nil	40.05	Not Applicable	Nil	Not Applicable	Nil
	Total		158.17				

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

1	2	3	4	5	6	7	8	9
Sr. No.	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (Rs. in crores)**	**Amount spent on the project in the reporting Financial year (Rs. in crores)**	**Cumulative amount spent at the end of the reporting financial year (Rs. in crores)**	**Status of the project (Completed/ Ongoing)**
1	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

(a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not Applicable

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

Not Applicable since the Company has spent Rs. 69.72 crores during the financial year 2021 -22 as against the prescribed CSR expenditure of Rs. 69.12 crores.

For and on behalf of the Board of Directors
Umesh Revankar
Vice Chairman & Managing Director
(Chairman, CSR Committee)
(DIN :00141189)

Mumbai
April 28, 2022

Details Pertaining to Remuneration as required under section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) (a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director for the Financial year 2021-22:-

Name of Independent Directors	Category	*Remuneration for FY 2020-21 (Rs. in crs)	*Remuneration for FY 2021-22 (Rs. in crs)	% Increase in Remuneration in FY 2021-22	Ratio of Remuneration of each Director to Median Remuneration of Employees
(i)	(ii)	(iii)	(iv)	(v)= (iv)- (iii)	(vi)
Mr. S. Lakshminarayanan Chairman	Non-Executive	0.10	0.20	100	5.85x
Mrs. Kishori Udeshi	Non-Executive	0.10	0.20	100	5.85x
Mr. S. Sridhar	Non-Executive	0.10	0.20	100	5.85x
Mr. Pradeep Kumar Panja	Non-Executive	0.10	0.20	100	5.85x

*Excludes Sitting fees. The Independent directors are entitled to Sitting fees and commission as per the statutory provisions and within the limit approved by the Shareholders. The Non-executive Non-Independent Directors did not receive any remuneration from the Company.

(b) The percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary in the Financial year 2021-22:-

Name of KMP	Category	Remuneration for FY 2020-21 (Rs. in crs)	Remuneration for FY 2021-22 (Rs. in crs)	% Increase in Remuneration in FY 2021-22	Ratio of Remuneration of each Director to Median Remuneration of Employees
*Mr. Umesh Revankar	Vice Chairman & Managing Director	0.97	1.36	41.18	39.91
Mr. Parag Sharma	Joint Managing Director & Chief Financial Officer	0.57	0.72	27.43	Not Applicable
Mr. Vivek Achwal	Company Secretary	0.48	0.57	17.84	Not Applicable

* (The above figures do not include post-retirement benefits.)

I. In the Financial year 2021-22, there was an increase of 16.45 % in the median remuneration of the employees

II. There were 24,637 permanent employees on the role of Company as on March 31, 2022.

III. For employees other than Managerial Personnel who were in employment for whole of the Financial Year 2020-21 and Financial Year 2021-22, the average increase in the remuneration was 19.99 %.The average increase in remuneration for Managerial Personnel in Financial year 2021-22 was 10.43% .

IV. It is hereby affirmed that the remuneration paid to the Directors, Key Managerial Personnel and employees is as per the Remuneration policy of the Company.

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To

The Members

Shriram Transport Finance Company Limited

CIN: L65191TN1979PLC007874

Sri Towers, Plot No. 14A, South Phase,

Industrial Estate, Guindy,

Chennai 600032

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shriram Transport Finance Company Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of Company's books, papers, minute books, forms, statutory registers and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made there under;

2) The Securities Contracts(Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

3) The Depositories Act, 1996 and the Regulations and Bye-laws framed

4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

   g) The Securities and Exchange Board of India(Buy-Back of Securities) Regulations, 2018.

6) Reserve Bank of India Act, 1934

7) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

8) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

9) Master Direction - External Commercial Borrowings, Trade Credit, Borrowing and

10) Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers as amended.

11) Master Direction - Information Technology Framework for the NBFC Sector

12) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

13) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

I have also examined compliance with the applicable clauses of the following:

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

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

I have examined the systems and processes of the Company in place to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with other applicable laws on the operation of the Company and the rules made thereunder.

I further report that during the audit period apart from the instances mentioned hereunder, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.,

(i) Issuance and allotment of Equity shares for an aggregate amount of Rs. 1999.998 crores to the Qualified Institutional Buyers (QIBs) on 12 June, 2021.

(ii) Issuance and allotment of 17,36,100 Equity Shares for an aggregate amount of Rs. 249.998 crores on a Preferential Basis to the promoter of the company on 08 July, 2021.

(iii) Issuance and allotment of Warrants Convertible into Equity Shares for an aggregate amount of Rs. 249.998 crores on a Preferential Basis to the promoter of the company on 25 November, 2021.

(iv) During the period under review, the Board of Directors of the company in its meeting held on December 13, 2021 has approved the Composite scheme of Arrangement and Amalgamations ("Scheme") involving amalgamation of Shriram Capital Limited (SCL) (with its remaining Undertaking) and Shriram City Union Finance Limited (SCUF) subject to the approval of regulatory authorities, shareholders and creditors. The Scheme provides for:

i. The amalgamation of Shrilekha Business Consultancy Private Limited (SBCPL) into Shriram Capital Limited (SCL);

ii. The demerger of Financial services undertaking, Life Insurance Undertakings and General Insurance Undertakings of Shriram Capital Limited (SCL) and amalgamation of Shriram Capital Limited (SCL) (with its remaining undertaking and investments) with the Company. The amalgamation of Shriram City Union Finance Limited (SCUF) with the Company.

(v) During the period under review, the Board of Directors of the company in its meeting held on December 13, 2021 has approved the change of name and main object clause of the memorandum of association of the company subject to the approval of the scheme by the Hon'ble Tribunals.

(vi) The company had received an Order from Directorate of Enforcement, Southern Regional Office Chennai in accordance with the Provisions of the Foreign Exchange Management Act 1999 vide Order no SDE/SRO/CEZO-I/02/2020(SK) dated 04 March 2020 imposing a penalty of Rs. 50,000,000 (Five Crores) for the company and has also levied a penalty of Rs. 50,00,000 (Fifty Lakh) each on the then director of erstwhile Shriram Holdings (Madras) Private Limited which includes a non-independent director of the Company. The company had filed a writ petition dated June 4, 2020 before the High Court of Madras, requesting, interalia, for a stay of the order dated March 4, 2020. On July 1, 2020, the Hon'ble High Court of Madras has admitted the Company's writ petition challenging the order dated March 04, 2020 of the Directorate of Enforcement (ED) and granted conditional stay order with the direction to the Company to deposit 25% of the penalty amount in the Court and the three directors to deposit 10% of their respective penalty amounts. The Company & three directors has deposited the amount with the Hon'ble Madras High Court.

(a) The Deputy Legal Adviser, Enforcement Directorate had filed an appeal dated October 6, 2020 before the Hon'ble Appellate Tribunal for Foreign Exchange, New Delhi ("Appellate Tribunal") against the said order dated March 4, 2020 of the Special Director of Enforcement to seek appropriate legal remedy.

(b) The company and three Directors on March 6, 2021 had received demand notices issued by Enforcement Directorate dated February 24, 2021, referring to its order of March 4, 2020 stating that payment has not been made as per the terms of the said order. The Company and three directors had provided their response on March 11, 2021 to the said demand notice pointing out that the said Order has already been stayed by the Hon'ble Madras High Court. The Company requested the Deputy Legal Advisor, Enforcement Directorate to withdraw his Demand Notice.

As on date of this report, the Writ Petitions preferred by the Company and the Directors are still pending on the file of the Hon'ble Madras High Court.

P. Sriram
P. Sriram & Associates
FCS No. 4862/C P No: 3310
UDIN: F004862D000212993
PEER REVIEW NO: S2011TN155200

Place: Chennai
Date: 28.04.2022

This Report is to be read with my testimony of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To
The Members,
Shriram Transport Finance Company Limited

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

(P.Sriram)
P. Sriram & Associates
FCS No. 4862/C P No: 3310
UDIN: F004862D000212993
PEER REVIEW NO: S2011TN155200

Place: Chennai
Date: 28.04.2022

ANNEXURE - IV

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

To

The Members

Shriram Transport Finance Company Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated September 27, 2021.
2. We have examined the compliance of conditions of Corporate Governance by Shriram Transport Finance Company Limited ('the Company'), for the year ended March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2022.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose.

    Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Reg No. 004207S

P. Menakshi Sundaram
Partner
Membership Number: 217914
UDIN: 22217914AIUHQP2656

Place: Mumbai
Date: April 28, 2022

Report on Corporate Governance

The Report for the financial year ended March 31, 2022 on compliance by the Company with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below.

The Company's philosophy on Corporate Governance is aimed at (a) enhancing long term shareholder value through assisting the top management in taking sound business decisions; and prudent financial management; (b) achieving transparency and professionalism in all decisions and activities of the Company; (c) achieving excellence in Corporate Governance by conforming to the prevalent guidelines on Corporate Governance, and excelling in, wherever possible and reviewing periodically the existing systems and controls for further improvements.

BOARD OF DIRECTORS

The Company has put in place an internal governance structure. The Board of Directors the Company consists of professionals from varied disciplines. The day to day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Vice Chairman and Managing Director, who functions under the overall supervision, direction and control of the Board of Directors ("the Board") of the Company. The Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances with the goals and control functions, etc. In order to facilitate the day-to-day business affairs of the Company, the Board has constituted various committees of the Board and has delegated necessary powers to the Committees, Vice Chairman & Managing Director and senior management personnel designated as Joint Managing Directors and Key Managerial Personnel. The Board thus exercises control over the overall functioning of the Company with a view to enhance the stakeholders value.

The Independent Directors on the Board of the Company have submitted their respective declarations confirming that they meet the criteria of independence and disclosures confirming that there are no material, financial and/or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large. During the year under review, no Independent Director of the Company resigned before the expiry of their tenure.

BOARD MEETING AND PROCEDURES

The notes on Agenda setting out the business to be transacted at the Board Meeting, were sent to each Director seven days before the date of the Board Meeting. The financial results were generally tabled at the Board meeting held as and when necessary. The Board reviews and approves quarterly/ half-yearly unaudited financial results and the audited annual financial statements (both consolidated and standalone), business plans and annual budgets. The management

submits to the Board Action Taken Report on status of implementation of important matters reviewed at the Board Meeting. In view of COVID-19 pandemic and need for adherence of social distancing norms, majority of the Board and Committee meetings and 42nd Annual General Meeting of the Company were held during the financial year through video conferencing ("VC") or other audio-visual means ("OAVM") as permitted by the Ministry of Corporate Affairs and SEBI. The calendar of the Board meetings was finalized in advance.

During the year under review, ten meetings of the Board of Directors were held on April 29, 2021, June 07, 2021, June 12, 2021,June 24, 2021, July 30, 2021, August 03, 2021, October 29, 2021, December 13, 2021, January 24, 2022 and March 05, 2022. During the financial year the Board of Directors also passed some resolutions by circulation on May 25, 2021 and January 28, 2022. The necessary quorum was present for all the meetings.

The maximum gap between any two meetings was not more than one hundred and twenty days. As mandated by proviso under Regulation 17A(1) of the Listing Regulations as of March 31, 2022, none of the Independent Directors of the Company served as an Independent Director in more than seven listed entities and as per Regulation 26 of Listing Regulations none of Directors is a member of more than ten Committees or acting as Chairperson of more than five Committees, across all the Indian public limited companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors. The names and categories of Directors, their attendance at Board Meetings held during the Financial Year and at the last Annual General Meeting (AGM), number of Memberships/Chairmanships of Directors in other Boards and Committees of Board, Category of directorship and names of listed entities where person is a director are as follows:

COMPOSITION OF BOARD

The Company's policy is to maintain an optimum combination of Executive and Non-Executive/Independent Directors. The composition of Board of Directors is given in the table below and is in conformity with Regulation 17(1) of the Listing Regulations and other applicable regulatory requirements.

Name of the Director and Category of Directorship	No. of Board Meetings attended during the F.Y. 2022	Whether attended the last AGM held on June 24, 2021	Total no. of Directorships	Member-ships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of directorship and Names of listed entities where person is a director
Mr. S Lakshminarayanan Chairman Non-Executive Independent Director DIN: 02808698	10	Yes	4	3	2	Chairman Non-Executive Independent Director Cartrade Tech Limited
Mr. Umesh Revankar, Executive, Vice Chairman and Managing Director DIN: 00141189	10	Yes	6	3	0	Non-Executive and Non-Independent Director Shriram City Union Finance Limited
Mrs. Kishori Jayendra Udeshi Non-Executive Independent Director DIN: 01344073	9	Yes	8	4	2	Non-Executive Independent Director 1. ION Exchange (India) Limited; 2. HALDYN Glass Limited; 3. Thomas Cook (India) Limited; 4. ELANTA S Beck India Limited; 5. Kalyan Jewellers India Limited; and 6. Cartrade Tech Limited

Name of the Director and Category of Directorship	No. of Board Meetings attended during the F.Y. 2022	Whether attended the last AGM held on June 24, 2021	Total no. of Directorships	Member-ships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of directorship and Names of listed entities where person is a director
Mr. Ignatius Michael Viljoen Non-Executive and Non-Independent Director DIN: 08452443	10	Yes	1	0	0	Non-Executive and Non-Independent Director Shriram City Union Finance Limited
Mr. Sridhar Srinivasan Non-Executive Independent Director DIN: 00004272	10	Yes	9	1	4	Non-Executive and Independent Director 1. Jubilant Pharmova Limited; 2. Strides Pharma Science Limited; and 3. Go Fashion (India) Limited.
Mr. D. V. Ravi Non-Executive Non-Independent Director DIN:00171603	8	Yes	2	0	0	Nil
Mr. Pradeep Kumar Panja Non-Executive Independent Director DIN: 03614568	10	Yes	4	2	1	Non-Executive Independent Director 1. Brigade Enterprises Limited; and 2. The Karnataka Bank Limited.
Mr. Y. S. Chakravarti Non-Executive and Non-Independent Director (DIN 00052308) (#)	2	No	2	1	0	Managing Director & CEO Shriram City Union Finance Limited
Mr. Parag Sharma Executive,(whole-time director) designated as Joint Managing Director and Chief Financial Officer (DIN 02916744) ($)	3	No	0	0	0	NIL

Notes:

1. In the above table, the total number of Directorships of a Director excludes his/her Directorships in the Company, Section 8 Company, Private Limited Companies and Foreign Companies
2. The Memberships and Chairmanships of Directors in Committees do not include their Memberships and Chairmanships in the Company.
3. None of the above Directors are related inter- se.
4. Non-Executive Directors of the Company do not hold any shares and convertible instruments in the Company.
5. (#) Mr. Y. S. Chakravarti is appointed as an Additional director with effect from December 13, 2021, subject to approval of shareholders in the ensuing AGM.
6. ($) Mr. Parag Sharma, Joint Managing Director and Chief Financial Officer of the Company, has been appointed as an Additional Director and also as Whole-Time Director designated as Joint Managing Director and Chief Financial Officer of the Company with effect from December 13, 2021. His tenure of Whole-Time Directorship will be for a period of five years up to December 12, 2026, subject to approval of shareholders in the ensuing AGM.

The directors take an active part at the Board and Committee Meetings and provide valuable guidance to the senior management on various aspects of business and governance. The directors possess necessary experience, skills and ability relevant to the Company's business and affairs which enhances the quality of policy decisions. The following Table give details of the skills/ expertise/competence identified by the Board of Directors pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h)(ii) of Listing Regulations and currently available with the Board.

Name of Director	Skills / Expertise / Competence of Directors						
	Leadership knowledge of Financial Service and Banking Industry	Strategic & Business Planning	Governance, Ethics & Regulatory Oversight	Audit & Risk Management	Sustainability	Human Resource	Information Technology knowledge
Mr. S Lakshminarayanan Chairman, Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Umesh Revankar Vice Chairman & Managing Director	✓	✓	✓	✓	✓	✓	✓
Mrs. Kishori Jayendra Udeshi Independent Director	✓	✓	✓	✓	✓	✓	
Mr. Sridhar Srinivasan Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Pradeep Kumar Panja Independent Director	✓	✓	✓	✓		✓	✓
Mr. D. V. Ravi Non-Executive and Non-Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Ignatius Michael Viljoen Non-Executive and Non-Independent	✓	✓		✓	✓		
Mr. Parag Sharma Joint Managing Director And Chief Financial Officer	✓	✓	✓	✓	✓	✓	✓
Mr. Y. S. Chakravarti Non-Executive and Non-Independent Director	✓	✓	✓	✓	✓	✓	✓

The brief profiles of Directors are also available on the website of the Company https://www.stfc.in/about-us/board-of-director/

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board the independent directors fulfill the conditions as specified in the Listing Regulations and are independent of the management.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on December 13, 2021 and March 17, 2022 without the presence of non-independent directors and members of senior management. The independent directors reviewed the draft Composite Scheme of Arrangement and Amalgamation between Companies in Shriram Group in its meeting held on December 13, 2021 and recommended to the Board.In its meeting held on March 17, 2022, the independent directors reviewed performance of non- independent directors, performance of Board as a whole, performance of Chairman and every individual director. They evaluated functioning of the Board, frequency of meetings of the board and committees of directors, level of participation of directors at the board and committee meetings, independence of judgments, performance of duties and obligations by directors, implementation of good corporate governance. The independent directors assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The Independent Directors were satisfied with the overall functioning of the Board, its various Committees, Non independent directors and the Chairman.

The Independent Directors also had an exclusive meeting with Joint Statutory Auditors on Audit issues in general and the framework and the process of Internal Audit in specific.

FAMILIARIZATION PROGRAMME

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the Company. During the Financial Year 2021-22, the independent directors were updated from time to time on continuous basis on the significant changes in the regulations, duties and responsibilities of Independent Directors under the Companies Act 2013 and SEBI regulations. The Company conducted 14 programs/meetings during the financial year 2021-22 and the time spent by Independent Directors was in the range of 10.25 hours. The cumulative programs / meetings conducted till date were 58 and the time spent by Independent Directors was in the range of 48-50 hours. Pursuant to Regulation 46 of Listing Regulations the details of Familiarization Programme is uploaded on the Company's website at the web link: https://bit.ly/3m1U0XP.

POLICY FOR PROHIBITION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has adopted Prohibition of Insider Trading Code and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Code also provides for preclearance of transactions by designated persons.

COMMITTEES OF DIRECTORS

The constitution and terms of reference of Committees of the Board are mentioned below. The minutes of the Committee meetings were placed before the Board meeting.

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act 2013 ('the Act') and Regulation 18 read with Part C of the Schedule II of the Listing Regulations. All the members of the Committee have wide experience in fields of Banking & Finance, Accounts, Regulatory and Financial service industry.

Terms of reference

The terms of reference of the Audit Committee, inter alia includes:

1. Overseeing the financial reporting process.
2. To ensure proper disclosure in the Quarterly, Half yearly and Annual Financial Statements. To recommend appointment, re-appointment of auditors, fixing of their remuneration and approval of payment to auditors for any other services rendered by them.
3. Reviewing, with the management, the Financial Statements before submission to the Board.
4. Reviewing the adequacy of internal audit function.
5. Reviewing the findings of any internal examinations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
6. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
7. To discuss with the management, the senior internal audit executives and the auditor/s the Company's major risk exposures, guidelines and policies.
8. To review the functioning of the Whistle Blower Mechanism.
9. Approval of appointment of CFO (i.e., the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
10. Review and monitor the Auditor's independence, performance and effectiveness of audit process.
11. Approval or any subsequent modification of transactions of the Company with related parties and granting omnibus approval to related party transactions which are in the ordinary course of business and on an arm's length basis and to review and approve such transactions.
12. Scrutiny of inter-corporate loans and investments.
13. Valuation of undertakings or assets of the Company, wherever it is necessary.
14. To review the Financial Statements, in particular, the investments made by the Unlisted Subsidiary Company. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Company has an Internal Audit Department which is headed by a qualified Chartered Accountant, who is responsible for conducting independent Internal Audit. The Internal Auditor reports directly to the Audit Committee of the Board.

During the year under review, eight meetings were held on April 29, 2021, July 14, 2021, July 30, 2021, August 03, 2021, October 29, 2021, December 13, 2021,Janurary 24,2022 and March 5,2022. The maximum gap between any two meetings was not more than one hundred and twenty days. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Sridhar	Chairman	8
Mrs. Kishori Udeshi	Member	7
Mr. Pradeep Kumar Panja	Member	8
Mr. S Lakshminarayanan	Member	8
Mr. Y S Chakravarti (*)	Member	0

(*) Mr. Y S Chakravarti, has been appointed as Non-Executive and Non-Independent Director by the Board of Directors in its meeting held on December 13,2021 and as a member of Audit Committee from March 05, 2022.

The Company Secretary acts as the Secretary for the Audit Committee. The Statutory Auditors, Internal Auditor, the Vice Chairman & Managing Director, Heads of Finance and Accounts Department and other persons attend the meeting on invitation.

On March 05, 2022 the Committee held separate one-to-one meeting with the Joint Statutory Auditors but without the presence of other management representatives.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) has been constituted by the Board as per the requirements of the provisions of Section 178 of the Act and Regulation 19 read with Part D of the Schedule II of the Listing Regulations.

Terms of reference

The terms of reference of the NRC, inter alia includes:

1. Formulation of the criteria for determining qualifications, positive attributes, and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Committee shall ensure that -
   - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel of the quality required to run the Company successfully;
   - relationship of remuneration to performance is clear and meets appropriate performance benchmarks ;and
   - remuneration to directors, Key Managerial Personnel and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
2. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors.
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. To determine whether to extend or continue the term of appointment of the Independent Director, Managing Director and Key Managerial Personnel on the basis of the report of their performance evaluation. The tenure of extension or continuity of Independent Director shall be computed as per the provisions of sub-section (10) and (11) of Section 149 of the Companies Act, 2013 read with Explanation thereto.
5. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management Personnel.
6. Devising a policy on Board diversity. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.
7. Formulation of Succession policy and Succession plan for Vice Chairman and Managing Director, Key Managerial personnel and Senior Management Personnel.

During the year, the Committee met three times on April 28, 2021, October 26, 2021 and December 13, 2021. During the financial year the NRC Committee also passed a resolution by circulation on October 27, 2021 recommended to the Board appointment of certain senior management personnel designated as key managerial personnel.

The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mrs. Kishori Udeshi	Chairperson	2
Mr. S. Lakshminarayanan	Member	3
Mr. Pradeep Kumar Panja	Member	3

CRITERIA FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The criteria and manner for evaluation of performance of Independent Directors provide certain parameters like quality, commitment to the Company's vision, level of participation at Board/Committee Meeting, level of

engagement and contribution, Independence of judgment, understanding duties, responsibilities, qualifications, disqualifications and liabilities as an independent director, up-to-date knowledge / information pertaining to business of the Company in which the Company is engaged in, implementation of good corporate governance practices, enhancing long term shareholders' value, professional approach, openness to ideas, providing guidance and counsel to senior management in strategic matters and rendering independent and unbiased opinion at the meetings etc., monitoring the company's internal controls & review compliance Reports on applicable laws, regulations and guidelines.

The Board completed the performance evaluation of directors as per requirement of law and made a few observations. The Independent directors fulfilled the requirement of independence as laid down in the Act and Listing Regulations and are independent of management.

REMUNERATION OF INDEPENDENT DIRECTORS

Independent Directors of the Company were paid sitting fees Rs. 1,00,000/-for every meeting of Board, Rs. 50,000/-for every Audit Committee meeting, Rs. 35,000/- for every Committee meeting and Rs. 35,000/- for every meeting of Independent Directors attended by them.

The Company is being benefited from the expertise, advice and inputs provided by the Independent Directors. The Independent Directors devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time.

No sitting fees are paid to Non-Independent Directors. Equal commission is being paid to all Independent Directors. The shareholders of the Company in their 38th Annual General Meeting held on June 29, 2017 have approved payment of commission to Independent Directors subject to the statutory limits. The Board on April 28, 2022 had approved Rs 20,00,000-/- (Rupees Twenty lacs only) as commission to be paid to each Independent Directors for the financial year ended March 31, 2022.

REMUNERATION OF VICE CHAIRMAN & MANAGING DIRECTOR:

Refer Remuneration Policy uploaded on the Company's website **https://bit.ly/3rsADup .**

The details of sitting fees/remuneration paid to the Directors during the year 2021- 2022 are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Meetings (Rs.)	Salary, Perquisites & ESOS (Rs.)	Commission (to be paid) (Rs.)	Total (Rs.)
1	Mr. S. Lakshminarayanan (Chairman)	21,00,000	-	20,00,000	**41,00,000**
2	Mr. Umesh Revankar (Vice Chairman & Managing Director)		1,36,37,016	-	**1,36,37,016**
3	Mrs. Kishori Udeshi	16,35,000	-	20,00,000	**36,35,000**
4	Mr. Pradeep Kumar Panja	17,50,000	-	20,00,000	**37,50,000**
5	Mr. Ignatius Michael Viljoen	-	-	-	**-**
6	Mr. Sridhar Srinivasan	19,70,000	-	20,00,000	**39,70,000**
7	Mr. D. V. Ravi	-	-	-	**-**
8	Mr. Parag Sharma (*) w.e.f December 13, 2021	-	72,36,154	-	**72,36,154**
9	Mr. Y. S. Chakravarti (*)w.e.f December 13, 2021	-	-	-	-
GST on sitting fees paid to the Directors		6,70,950		-	**6,70,950**

Notes:

(*) For further details kindly refer paragraph titled 'Composition of Board' forming part of this report.

Mr. Umesh Revankar, Vice Chairman & Managing Director is appointed for a period of 5 years with effect from October 26, 2019. His remuneration includes salary of Rs. 1,21,85,016/-, contribution to Provident Fund and NPS is Rs. 7,92,000/- and Rs. 6,60,000/- respectively. The appointment may be terminated by giving three months' notice in writing or salary in lieu thereof. No severance fees are payable on termination of employment.

Mr. Parag Sharma, Joint Managing Director and Chief Financial Officer of the Company, has been appointed as an Additional Director and also as Whole-Time Director designated as Joint Managing Director and Chief Financial Officer of the Company with effect from December 13, 2021. His tenure of Whole-Time Directorship will be for a period of five years upto December 12, 2026, subject to approval of shareholders in the ensuing 43rd AGM. His total remuneration for financial year 2021-22 was Rs. 72,36,154/- out of which Rs. 24,34,983/- remuneration was paid for his appointment as Whole Time Director during the period December 13, 2021 to March 31, 2022.

The annual increment of Mr. Umesh Revankar, Vice Chairman & Managing Director and Mr. Parag Sharma, Joint Managing Director and Chief Financial Officer is decided by the NRC Committee and the Board of Directors based on their performance evaluation.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The "Stakeholders' Relationship Committee" is constituted in line with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of Listing Regulations.

Terms of reference

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to attending and redressal of the grievances of the security holders of the Company.

The Committee in particular looks into:

1. To oversee and reviews redressal of shareholder and investor grievances, on matters relating to transfer / transmission of securities, non-receipt of annual report, non-receipt of declared dividends/interests.
2. To issue duplicate share/debenture certificate(s) reported lost, defaced or destroyed as per the laid down procedure and to resolve the grievances of security holders of the Company.
3. Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities.
4. Taking decision on waiver of requirement of obtaining the Succession Certificate/Probate of Will on case to case basis within the parameters set out by the Board of Directors.
5. To monitor transfer of the amounts/shares transferable to Investor Education and Protection Fund.
6. To list the securities of the Company on Stock Exchanges.
7. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholder of the Company.
10. Any other matters that can facilitate better investor services and relations.

During the year, the Committee met two times on October 27, 2021 and January 13, 2022. The necessary quorum was present for the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Lakshminarayanan	Chairman	2
Mr. Umesh Revankar	Member	2
Mr. Pradeep Kumar Panja	Member	2
Mrs. Kishori Udeshi	Member	2

Note: Mr. Vivek Achwal, Company Secretary also acts as the Compliance Officer of the Company.

The status of security holders grievances is monitored by the Committee periodically and the minutes of the Committee are made available to the Board.

SECURITY HOLDERS COMPLAINTS:

Particulars	No. of Complaints	
	Equity	Non-Convertible Debentures
Complaints pending as on April 1, 2021	Nil	Nil
Complaints received during the period April 01, 2021 to March 31,2022.	6	2
Complaints identified and reported under Regulation 13(3) of SEBI (LODR) Reg. 2015.	6	2
Complaints disposed of during the year ended March 31, 2022.	6	2
Complaints unresolved as of March 31, 2022.	Nil	Nil

All the complaints received from investors were attended within 30 days of receipt of the complaint. Continuous efforts are made to ensure that grievances are more expeditiously redressed. SEBI Complaints Redress System (SCORES) SEBI administers a centralised web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of online redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES within the stipulated period of receipt of the complaint.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee has been constituted in line with the provisions of Section 135 of the Act and the rules made thereunder. The committee also monitors implementation of Business Responsibility Policy of the Company.

Terms of reference

The terms of reference of the CSR Committee broadly comprises of:

1. Formulating and recommending to the Board of Directors the CSR Policy and monitoring the same from time to time.
2. The Committee will review and evaluate the sustainability agenda, suggest modifications, discuss and recommend action plan to take the CSR activities forward.
3. CSR Committee will monitor the spend on CSR activities by the Company as well as ensure that the Company spends at least the minimum sum as may be prescribed from time to time pursuant to the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 or such higher sum as may be decided by the Board of Directors of the Company.

During the year under review, the Committee met three times on April 28,2021, October 27, 2021 and March 17, 2022. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	3
Mr. S. Lakshminarayanan	Member	3
Mr. Pradeep Kumar Panja	Member	3

RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted in line with the Regulation 21 of Listing Regulations as amended.

The terms of reference of the Risk Management Committee shall be as follows:

1. Review of Risk Management Policy.
2. Approval of Risk Management Plan, implementing and monitoring the Risk Management Plan.
3. Roll out and implementation of the Risk Management System.
4. Such other matters as may be delegated by Board from time to time.

During the year under review, the Committee met three times on June 01,2021, October 27, 2021 and March 17, 2022. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	3
Mr. S. Sridhar	Member	3
Mr. D. V. Ravi	Member	3
Mr. S. Sunder	Member	3

Pursuant to Reserve Bank of India Circular No.DNBR

(PD) CC.No.099/03.10.001/2018-19 dated May 16,2019 the Company had appointed Mr. Hardeep Singh as Chief Risk Officer (CRO) for a period of upto 5 years in order to carry out all functions and discharge all responsibilities as per the terms of the aforesaid RBI circular.

ASSET LIABILITY MANAGEMENT COMMITTEE

Terms of reference

The terms of reference of Asset Liability Management Committee (ALM) are as follows:

The ALM Committee is responsible for assisting the Board of Directors in Balance Sheet planning from risk-return perspective including the strategic management of interest and liquidity risk. Its function includes –

1. Liquidity risk management.
2. Management of market risks.
3. Funding and capital planning.
4. Profit planning and growth projection.
5. Forecasting and analysing future business, environment and preparation of contingency plans.

During the year under review, the Committee met four times on April 30, 2021, August 03, 2021, October 30, 2021 and January 27, 2022. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	4
Mrs. Kishori Udeshi	Member	4
Mr. S. Lakshminarayanan	Member	4
Mr. Parag Sharma	Member	4
Mr. Hardeep Singh (*)	Member	1

(*) Mr. Hardeep Singh, Chief Risk Officer, has been appointed as a member of the Committee with effect from January 24, 2022.

BANKING AND FINANCE COMMITTEE

The Banking and Finance Committee has been formed to monitor resource mobilisation and to ensure efficient and timely decisions on the matters relating to Banking and Finance activities of our Company.

Terms of reference

The terms of reference of the Banking and Finance

Committee comprises of:

1. Opening, operating and closing of Bank Accounts.
2. Issuance of Non-Convertible Debentures/Subordinated Debentures on Private Placement basis.
3. Issuance of Commercial Paper.
4. Borrowing of money from Bank, Financial Institutions etc. and proving Bank Guarantee.
5. Securitization of receivables by way of sell down through PTC/ Direct Assignment.
6. Availing and giving Inter Corporate Deposit.
7. Availing Foreign Currency Term Loan, FCNR (B).
8. Investment of Surplus funds in Fixed Deposit for Short Term/ Mutual Funds etc.
9. Monitoring asset coverage of the loan and issuance of NOC and release of security.
10. Give confirmation to Bank in respect of loans availed through Acknowledgement of Debt.
11. Apply for any license/Affiliation for business purpose.
12. Entering into Service Provider Agreement for Electronic Toll collection programme.
13. To authorise official of the Company to appear on behalf of the Company before various regulatory and law enforcing authorities/government department/local administration or authority/market intermediaries under applicable laws, rules and regulations and submit documents undertaking, affidavits, papers etc.
14. To authorize official of the Company to sign various agreements in connection with purchase/sale registration of property etc.
15. Fixing Record Date for payment of monthly, half yearly and annual Interest and redemption of Debentures/Bonds/ Notes.
16. Revision in Terms and Conditions including interest rates of Fixed Deposit Scheme;
17. Availing 'Corporate Internet Banking', Payment & Collection Services, online viewing facility, E-commerce–payment gateway Merchant Account from Banks.
18. Authorization to procure Digital Signature Certificates from eMudhra Limited/NSEIT Limited.
19. Authorization to create the Login ID with CERSAI (Central Registry of Securitisation Asset Reconstruction and Security Interest of India).
20. To give approval/authorization for the matters required for day to day management of the affairs of the Company.
21. To borrow for the purpose of the business of Company from time to time on such terms and conditions as the Committee may deem fit.

22. To take all steps and exercise power to issue the notes/ bonds and to implement the same.

23. To approve the buy-back of Non-Convertible Debentures.

The Committee meets regularly to discharge its functions. During the year under review, the Committee met 99 times. The necessary quorum was present for all the meetings

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	98
Mr. Parag Sharma	Member	99
Mr. S. Sunder	Member	98

IT STRATEGY COMMITTEE

Terms of reference

The terms of reference of the IT Strategy Committee shall include:

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
5. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls,
6. Any other role and responsibility as per the directions of RBI issued from time to time.

During the year under review, the Committee met two times on June 11, 2021 and December 8, 2021 . The necessary quorum was present for the meeting.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Sridhar	Chairman	2
Mr. Umesh Revankar	Member	2
Mr. Gayadhar Behera	Member	2
Mr. Balasundara Rao	Member	2
Mr. Prashant Deshpande	Member	2

ENVIRONMENTAL AND SOCIAL GOVERNANCE COMMITTEE

Terms of reference

The terms of reference of the Environmental and Social Governance Committee (ESG) comprises of:

1. Recommending to the Board the Company's overall general strategy with respect to ESG Matters.
2. Overseeing the Company's policies, practices and performance with respect to ESG matters and Social Finance Framework.
3. Overseeing the Company's reporting standards in relation to ESG matters and Social Finance Framework.
4. Approval of ESG Report.
5. Delegating authority to the Managing Director and or Chief Financial Officer or other authorised officers to do any acts, deeds, matters and things as may be necessary.

   During the year under review, the Committee met two times on April 28, 2021 and January 13, 2022.

The necessary quorum was present for the meeting.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Lakshminarayanan	Chairman	2
Mrs. Kishori Udeshi	Member	2
Mr. Umesh Revankar	Member	2
Mr. Parag Sharma	Member	2
Mr. S.Sunder	Member	1

GENERAL BODY MEETING

(i) Annual General Meeting (AGM):

Details of the last three Annual General Meetings (AGM) and Special Resolutions passed thereat are given below:

Year	AGM	Location	Date & Time	Details of Special Resolutions passed
2018-19	40th AGM	Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai - 600 018	June 27, 2019 at 10.30 A.M	(i) To re-appoint Mr. S. Lakshminarayanan (DIN 02808698) as an Independent Director of the Company for a second term of five consecutive years commencing from January 24, 2020 to January 23, 2025 and (ii) To re-appoint Mr. S. Sridhar (DIN 00004272) as an Independent Director of the Company for a second term of five consecutive years commencing from October 20, 2019 to October 19, 2024.
2019-20	41st AGM	The Company conducted the AGM through video conferencing (VC) / other audio visual means (OAVM) pursuant to the MCA circular.	August 19, 2020 at 3.30 P.M	(i) To enhance the limit to sell/ assign/ securitize receivables, (ii) To approve conversion of loan into equity or other capital of the Company in case of Event of Default and (iii) To authorize capital raising through issuance of Equity Shares and/or other Eligible Securities.
2020-21	42nd AGM	The Company conducted the AGM through video conferencing (VC) / other audio visual means (OAVM) pursuant to the MCA circular.	June 24, 2021 at 2.00 P.M	To renew authorization for raising capital through issuance of Equity Shares and/or other Eligible Securities with an enhanced limit upto Rs.4,000 crores

There is no proposal to pass any special resolution, at the ensuing 43rd AGM to be held on June 23, 2022

(ii) Extraordinary General Meeting (EGM):

During the Financial year ended March 31,2022 two EGM of the shareholders of the Company were held on July 7,2021 and September 15,2021 to transact the following business:

Year	Location	Date & Time	Details of Resolutions passed
2021-22	The Company conducted the EGM through video conferencing(VC) /other Audio visual means (OAVM) pursuant to the MCA and SEBI circulars.	July 07, 2021 at 2.00 P.M	(i) Special Resolution - To Issue of Equity Shares on a Preferential Basis to the Promoter of the Company. (ii) Special Resolution - To Issue Warrants convertible into Equity Shares to Shriram Capital Limited (Promoter of the Company) on a Preferential Basis.
2021-22	The Company conducted the EGM through video conferencing(VC) /other Audio visual means (OAVM) pursuant to the MCA and SEBI circulars.	September 15, 2021 at 2.00 P.M	(i) Ordinary Resolution - To Change in joint Statutory Auditors and payment of remuneration to them for the financial year ending March 31, 2022.

The procedure for Postal Ballot /electronic voting (e-voting) for aforesaid special resolution is mentioned in the said postal ballot notice.

2. Renewal of limit to issue debentures on private placement basis by the Board - January 28, 2021

The details of voting pattern of the Special Resolution passed through Postal Ballot - Renewal of limit to issue debentures on private placement basis by the Board

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	21,28,63,046	20,97,77,724	98.55	30,85,322	1.45
Votes cast through Physical Mode	0	0	0	0	0
Total	**21,28,63,046**	**20,97,77,724**	**98.55**	**30,85,322**	**1.45**

All the Resolutions were passed by the shareholders with requisite majority

(iii) Postal Ballot

1. Pursuant to the special resolution passed by shareholders with requisite majority on March 6,2022 through postal ballot notice dated January 24, 2022 for: Renewal of limit to issue debentures on private placement basis by the Board pursuant to Section 42, Section 71 and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities)Rules ,2014. The Board of Directors on January 24, 2022 had appointed Mr. P. Sriram (Membership No. FCS 4862), Practising Company Secretary (PCS No. 3310) and failing him Ms. Nithya Pasupathy (Membership No. FCS 10601), Practising Company Secretary (PCS No. 22562) of SPNP & Associates, Chennai as the scrutinizer to scrutinize the E-voting/Postal Ballot process in a fair and transparent manner. The postal ballot results were declared on March 8, 2022.

The details of voting pattern of the Special Resolution passed through Postal Ballot - Renewal of limit to issue debentures on private placement basis by the Board

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	238997188	235960517	98.73	3036671	1.27
Votes cast through Physical Mode	0	0	0	0	0
Total	**238997188**	**235960517**	**98.73**	**3036671**	**1.27**

Special Resolution was passed by shareholders with requisite majority.

2. Cancellation of 6,141 equity shares of face value of Rs.10/- each not taken or agreed to be taken by any person from the Issued Share Capital of the Company

Pursuant to the ordinary resolution passed by the shareholders with requisite majority on March 6, 2022 through Postal Ballot Notice dated January 24, 2022, 6,141 Equity shares of face value of Rs. 10/- each not taken/agreed to be taken by any person in the Rights Issue of the Company made in the year 1995 were cancelled from the Issued Share Capital of the Company. Accordingly, the Issued, Subscribed and Paid up Equity Share Capital of the Company stood at Rs. 2,705,197,130 consisting of 270,519,713 fully paid-up equity shares of face value of Rs.10/- each as on March 31, 2022.

The procedure for Postal Ballot /electronic voting (e-voting) for aforesaid special resolution is mentioned in the said postal ballot notice.

SHARE CAPITAL AUDIT

The Share Capital Audit as required under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, read with SEBI Circular No. D&CC/FITT C/Cir-16/2002 dated December 31, 2002 and SEBI Circular No. CIR/MRD/DP/30/2010, a Qualified Practicing Company Secretary carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. This audit is carried out every quarter and the reconciliation of share capital audit report thereon is submitted to the Stock Exchanges and to the Board of Directors.

CERTIFICATION BY VICE CHAIRMAN & MANAGING DIRECTOR AND JOINT MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER

In terms of Listing Regulations, the certification by the Vice Chairman & Managing Director and the Joint Managing Director & Chief Financial Officer is annexed to this Annual Report.

MEANS OF COMMUNICATION

The Board recognizes the importance of two-way communication with shareholders and giving a report of results and progress and responding to questions and issues raised in a timely and consistent manner. The Company follows a robust process of communicating with its investors the Audited financial results, the quarterly results and half yearly results of the Company are published in English (Business Standard, Financial Express) and Tamil newspaper (Makkal Kural). Press release is also given in the leading newspapers upto date financial results, press releases, quarterly investor updates/ presentations made to institutional investors, investors/earning conference calls or to the analysts, official news releases and other general information about the Company are also available on the Company's website https://bit.ly/39mGsPO

The aforesaid financial results are disseminated to the Stock Exchanges within thirty minutes from the close of the Board meetings at which these are considered and approved. Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form. The annual report and quarterly financial results have been sent in electronic form to shareholders, who have registered their email ids. Our Company does online filing with National Stock Exchange of India Ltd (NSE) and BSE Limited (BSE) through web based application: NEAPS (NSE Electronic Application Processing System), Digital Exchange and BSE Listing Centre.

The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations including material information having a bearing on the performance / operations of the Company or other price sensitive information.

The Board of Directors has approved a policy for determining materiality of events and a team comprising of Senior Managerial Personnel for the purpose of determining materiality of an event or information and making disclosures to Stock Exchanges.

GENERAL SHAREHOLDER INFORMATION

43RD Annual General Meeting

Particulars	As on March 31, 2022
a. Day and Date	Thursday, June 23, 2022
b. Time	2.00 PM (IST)
c. Venue	The Company is conducting meeting through video conferencing (VC)/other audio visual means(OAVM)pursuant to the MCA circular. For details please refer to the Notice of 43RD AGM.
d. Financial Year	2021-2022
e. Dividend Payment Date	The Board of Directors had declared two interim dividends for the Financial Year 2021-22 first interim dividend of Rs.8/- per equity share of Rs.10/- each fully paid-up (80%) at its meeting held on October 29, 2021 and second interim dividend of Rs.12/- per equity share of Rs.10/- each fully paid up (120%) at its meeting held on March 5, 2022. The Board of Directors have not recommended final dividend. The interim dividend shall be the final dividend for the financial year 2021-22. The total dividend for the financial year 2021-22 is Rs.20/- per share (i.e.200%) already paid to the eligible members on Record dates.

f.	The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	**BSE Limited** P J Towers, Dalal Street, Mumbai – 400 001. **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai – 400 051 The Company has paid the annual listing and custodian fees for the financial year 2022 – 2023 to the Stock Exchanges and Depositories.
g.	Stock Code	
	BSE Limited	511218
	National Stock Exchange of India Limited	SRTRANSFIN
	Singapore Exchange Securities Trading Limited,	**USD Bonds :-** XS1953982086, US825547AA08 USY7758EEC13.
	India International Exchange (IFSC) Limited	**Social Bonds :-** US825547AC63 USY7758EEF44
	NSE IFSC Limited	US825547AD47 USY7758EEG27
	Demat ISIN in NSDL & CDSL	INE721A01013

The Company's Non-Convertible Debentures (NCDs) offered for subscription to public under the Shelf Prospectus dated June 22, 2018 in tranches vide Tranche I Prospectus dated June 25, 2018, Tranche II Prospectus dated October 8, 2018 Tranche III Prospectus dated December 27, 2018, Shelf Prospectus dated July 09, 2019 & Tranche I Prospectus dated July 12,2019 and Tranche II Prospectus dated December 26,2019 are listed on NSE and BSE. The ISIN details for these NCDs are as under:

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
NCD 8 - Tranche 1 (June 2018)						
Secured NCDs (Series I)	INE721A07NT3	BSE - 936228 NSE – YH	(**) (AI##) 8.93% p. a.	MONTHLY	12/07/2018	12/07/2023
Secured NCDs (Series II)	INE721A07NU1	BSE - 936230 NSE – YI	(**) (AI##) 9.03% p. a.	MONTHLY	12/07/2018	12/07/2028
Secured NCDs (Series IV)	INE721A07NW7	BSE - 936234 NSE – YK	(**) (AI##) 9.30% p. a.	ANNUAL	12/07/2018	12/07/2023
Secured NCDs (Series V)	INE721A07NX5	BSE - 936236 NSE – YL	(**) (AI##) 9.40% p. a.	ANNUAL	12/07/2018	12/07/2028
Secured NCDs (Series VII)	INE721A07NZ0	BSE - 936240 NSE – YN	NA Cumulative	(*@##)	12/07/2018	12/07/2023
NCD 8 - Tranche 2 (October 2018)						
Secured NCDs (Series I)	INE721A07OB9	BSE - 936324 NSE - YO	(**) 9.12% p. a.	MONTHLY	02/11/2018	02/11/2023
Secured NCDs (Series II)	INE721A07OC7	BSE - 936326 NSE - YP	(**) 9.30% p. a	MONTHLY	02/11/2018	02/11/2028
Secured NCDs (Series IV)	INE721A07OE3	BSE - 936330 NSE - YR	(**) 9.50% p. a	ANNUAL	02/11/2018	02/11/2023
Secured NCDs (Series V)	INE721A07OF0	BSE - 936332 NSE - YS	(**) 9.70% p. a	ANNUAL	02/11/2018	02/11/2028
Secured NCDs (Series VII)	INE721A07OH6	BSE - 936336 NSE - YU	NA Cumulative	(RM##) (SC****)	02/11/2018	02/11/2023

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
NCD 8 - Tranche 3 (December 2018)						
Secured NCDs (Series I)	INE721A07OM6	BSE - 936452 NSE – YV	(**) 9.12% p.a.	MONTHLY	06/02/2019	06/02/2024
Secured NCDs (Series II)	INE721A07ON4	BSE - 936454 NSE – YW	(**) 9.30% p.a.	MONTHLY	06/02/2019	06/02/2029
Secured NCDs (Series IV)	INE721A07OP9	BSE - 936458 NSE – YY	(**) 9.50% p. a.	ANNUAL	06/02/2019	06/02/2024
Secured NCDs (Series V)	INE721A07OQ7	BSE - 936460 NSE – YZ	(**) 9.70% p. a.	ANNUAL	06/02/2019	06/02/2029
Secured NCDs (Series VII)	INE721A07OS3	BSE - 936464 NSE - Z2	NA Cumulative	(RM##) (SC****)	06/02/2019	06/02/2024
NCD 9 - Tranche 1 (July 2019)						
Secured NCDs (Series I)	INE721A07OY1	BSE – 936780 NSE - Z3	(**) 9.12% p. a.	MONTHLY	22/08/2019	22/02/2023
Secured NCDs (Series II)	INE721A07OZ8	BSE – 936782 NSE – Z4	(**) 9.22% p.a.	MONTHLY	22/08/2019	22/08/2024
Secured NCDs (Series III)	INE721A07PA8	BSE – 936784 NSE – Z5	(**) 9.31% p.a.	MONTHLY	22/08/2019	22/08/2026
Secured NCDs (Series V)	INE721A07PC4	BSE – 936788 NSE – Z7	(**) 9.50% p.a.	ANNUAL	22/08/2019	22/02/2023
Secured NCDs (Series VI)	INE721A07PD2	BSE – 936790 NSE – Z8	(**) 9.60% p.a.	ANNUAL	22/08/2019	22/08/2024
Secured NCDs (Series VII)	INE721A07PE0	BSE - 936792 NSE – Z9	(**) 9.70% p.a.	ANNUAL	22/08/2019	22/08/2026
Secured NCDs (Series VIII)	INE721A07PF7	BSE - 936794 NSE - ZA	NA Cumulative	(RM%) (SC%)	22/08/2019	22/02/2023
Secured NCDs (Series IX)	INE721A07PG5	BSE – 936796 NSE – ZB	NA Cumulative	(RM%) (SC%)	22/08/2019	22/08/2024
Secured NCDs (Series X)	INE721A07PH3	BSE – 936798 NSE – ZC	NA Cumulative	(RM%) (SC%)	22/08/2019	22/08/2026
NCD 9 - Tranche 2 (December 2019)						
Secured NCDs (Series I)	INE721A07PI1	BSE – 937061 NSE – ZD	(**) 8.52% p. a.	MONTHLY	28/01/2020	28/01/2023
Secured NCDs (Series II)	INE721A07PJ9	BSE – 937063 NSE – ZE	(**) 8.66% p.a.	MONTHLY	28/01/2020	28/01/2025
Secured NCDs (Series III)	INE721A07PK7	BSE – 937065 NSE – ZF	(**) 8.75% p.a.	MONTHLY	28/01/2020	28/01/2027
Secured NCDs (Series IV)	INE721A07PL5	BSE – 937067 NSE – ZG	(**) 8.85% p.a.	ANNUAL	28/01/2020	28/01/2023
Secured NCDs (Series V)	INE721A07PM3	BSE – 937069 NSE – ZH	(**) 9.00% p.a.	ANNUAL	28/01/2020	28/01/2025
Secured NCDs (Series VI)	INE721A07PN1	BSE – 937071 NSE – ZI	(**) 9.10% p.a.	ANNUAL	28/01/2020	28/01/2027
Secured NCDs (Series VII)	INE721A07PO9	BSE – 937073 NSE – ZJ	NA Cumulative	(RM%%) (SC%%)	28/01/2020	28/01/2023
Secured NCDs (Series VIII)	INE721A07PP6	BSE – 937075 NSE – ZK	NA Cumulative	(RM%%) (SC%%)	28/01/2020	28/01/2025

Note:

1. Subject to applicable tax deducted at source,if any
2. (**) - Senior Citizens (only First Allottee) shall be entitled to an additional yield at the rate of 0.25 % per annum.
3. (AI##) - Additional incentive of 0.10% available to Category III and IV investors provided the NCDs issued under the Tranche -1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date applicable for payment of coupon.
4. (*@##)- For NCD Holders who fall under Category I and/or Category II on the record date the amount payable on redemption for NCDs will be Rs.1,560.30 per NCD. For NCD holders who fall under Category III and/or Category IV on the record date the amount payable on redemption for NCDs will be Rs. 1567.45 per NCD.
5. (SC****) - The amount payable on redemption to such Senior Citizens for NCDs under Series VI and Series VII is Rs. 1,318.67 and Rs. 1,592.70 per NCD respectively provided the NCDs issued under the NCD 8 Tranche 3 are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Payment date for Series VI and Series VII.
6. (RM%) - The amount payable on redemption for NCDs under Series - VIII , Series IX and Series X are Rs. 1,374.75 per NCD, Rs. 1,582.25 per NCD and Rs. 1,912.80 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series VIII, Series IX and Series X.
7. (SC%) - The amount payable on redemption to such Senior Citizens for NCDs under Series VIII, Series IX and Series X is Rs. 1,385.80 per NCD, Rs. 1,600.40 per NCD and Rs. 1,943.55 per NCD respectively provided the NCDs issued under the NCD 9 Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Date for the Series VIII, Series IX and Series X.
8. (RM%%) - The amount payable on redemption for NCDs under Series – VII and Series VII are Rs. 1289.99 per NCD and Rs. 1,539.35 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series VII and Series VIII.
9. (SC%%) - The amount payable on redemption to such Senior Citizens for NCDs under Series VII and Series VIII is Rs. 1,298.91 and Rs. 1,557.11 per NCD respectively provided the NCDs issued under the NCD 9 Tranche 2 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Date for the Series VII and Series VIII.
10. (SC****) - The amount payable on redemption to such Senior Citizens for NCDs under Series VII is Rs. 1,592.70 per NCD provided the NCDs issued under the NCD 8 Tranche 2 & Tranche 3 are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Payment date for Series VII.
11. (RM##) - The amount payable on redemption for NCDs under Series - VII is Rs.1,574.63 per NCD on the relevant Record Date for the relevant Redemption Payment date.

Wherever redemption payment due date falls on a nonworking day, then the Company will make the payment on the previous working day and wherever NCDs interest payment due date falls on a non-working day, then the Company will make the payment on the next working day.

RIGHTS EQUITY SHARES

As on March 31, 2022, there were 7 Eligible shareholders holding 921 Rights Shares allotted on August 06, 2020 who did not furnish the demat account details to the Registrars to the Issue / the Company. Hence, the said rights shares are lying in separate demat account "STFC Rights Allotment Demat Suspense Account" of the Company.

DIVIDEND DISTRIBUTION POLICY

The dividend distribution policy of the Company is enclosed. The same is also available on the website. For details click on the link for **https://bit.ly/2NLsKzu**

GENERAL SHAREHOLDER INFORMATION

h. Stock Market

The high and low market price and volume of shares traded during each month of the financial year ended March 31, 2022 are given below:

Months	BSE Limited			National Stock Exchange of India Ltd.		
	Share Prices		Volume (No. of Shares)	Share Prices		Volume (No. of Shares)
	High (Rs.)	Low (Rs.)		High (Rs.)	Low (Rs.)	
April 2021	1509.95	1290.00	2146421	1510.00	1287.30	56244852
May 2021	1514.50	1272.70	1973054	1514.40	1272.10	38782104
June 2021	1528.25	1337.75	2181788	1529.60	1336.95	42428377
July 2021	1471.00	1326.35	2111225	1470.50	1325.75	26175400
August 2021	1428.55	1216.25	1647021	1430.00	1216.00	28262138
September 2021	1424.00	1286.00	1979024	1425.90	1285.75	23724265
October 2021	1587.85	1274.00	1864649	1588.00	1273.30	28999249
November 2021	1696.15	1387.80	1724706	1696.40	1388.55	26666783
December 2021	1531.45	1158.00	1024916	1531.75	1157.20	24341090
January 2022	1299.60	1104.05	1411769	1299.85	1103.20	24029920
February 2022	1303.65	1060.10	883431	1304.35	1060.00	20901438
March 2022	1146.50	1002.50	1113602	1147.30	1002.00	26182904

STFC Share Price performance in comparison to BSE Sensex and S & P CNX Nifty

i. No equity shares are suspended from trading during the Financial Year 2021 - 2022.

j. Registrar to an issue and Share Transfer Agents

The Registrar and Share Transfer Agents of the Company are:

Integrated Registry Management Services Private Limited

2nd Floor, Kences Towers, No. 1, Ramakrishna Street,

North Usman Road, T Nagar, Chennai - 600 017

Ph: 044 - 2814 0801 - 03 Fax no: 044 – 28142479

Email: anusha@integratedindia.in Website :www.integratedindia.in

k. Note Trustee for Masala Bonds

(a) The Hongkong and Shanghai Banking Corporation Limited, Level 30, 1 Queen's Road Central, Hong Kong and

(b) Axis Trustee Services Limited, The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai – 400028.

l. Share Transfer System:

The Securities Transfer Committee meets as and when required to, interalia consider issue of duplicate share certificates in lieu of original share certificates reported as lost/stolen/misplaced by the shareholders of the Company .

In terms of the Listing Regulations, equity shares of the Company can only be transferred in dematerialised form. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL), within the statutory time limit from the date of receipt of share certificates/ letter of confirmation after due verification.Shareholders holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/issuance of equity shares in physical form have been disallowed by SEBI.

m. Distribution of shareholding as on March 31, 2022

Sr. No	No. of Equity Shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholding
1	1 – 500	98,239	94.27	54,56,686	2.02
2	501 – 1000	3,272	3.14	23,78,196	0.88
3	1001 – 2000	1,277	1.23	17,81,236	0.66
4	2001 – 3000	349	0.33	8,56,855	0.32
5	3001 – 4000	123	0.12	4,28,768	0.16
6	4001 – 5000	108	0.10	4,89,121	0.18
7	5001 – 10000	192	0.18	13,45,363	0.50
8	10001 and above	645	0.62	25,77,83,488	95.29
	Total	**1,04,205**	**100.00**	**27,05,19,713**	**100.00**

n. Categories of shareholders as on March 31,2022

Sr. No.	Category	Total	
		No. of Shares held	% of shareholding
1	Promoter and Promoter Group	71550432	26.45%
2	Foreign Portfolio Investors 1&2	145746541	53.88%
3	Insurance Company	22335894	8.26%
4	Mutual Fund	14337965	5.30%
5	Resident Indian	12575703	4.65%
6	IEPF	1058497	0.39%
7	Bank	584113	0.22%
8	Bodies Corporate	526564	0.19%
9	Alternative investment fund	475600	0.18%
10	N R I	348034	0.13%
11	Clearing Member	310735	0.11%
12	Trusts	276119	0.10%
13	HUF	186388	0.07%
14	FI-Others	115855	0.04%
15	Unclaimed securities suspense Account	59998	0.02%
16	FII	19092	0.01%
17	Limited liability partnership	9653	0.00%
18	NBFC	1609	0.00%
19	Rights Allotment Demat Suspense Account	921	0.00%
	Grand Total	**270519713**	**100.00%**

o. Dematerialization of shares and liquidity

The Company's scrip forms part of the compulsory Demat segment for all investors effective from July 24, 2000. To facilitate the investors in having an easy access to the demat system, the Company has signed up with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through Integrated Registry Management Services Private Limited. As on March 31, 2022, the total of 26,84,12,830 equity shares constituting 99.22% of the paid up capital, have been dematerialized.

p. The Company has not issued any Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date that would impact on equity.

q. Commodity price risk or foreign exchange risk and hedging activities: Commodity price risk : Not Applicable. The Company has fully hedged its foreign exchange risks associated with External Commercial Borrowings through issue of senior secured notes / bonds in the offshore market under GMTN Program and Loans through various dervivaties/hedging products.

r. Locations

List of branches are mentioned in the "Our Reach" Section on page no. 6 in the Annual Report.

s. Address for correspondence & Registered Office:

Registered Office: Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu. Phone: 91- 44-48524666 Fax: +91 44 4852 5666.

Corporate Office: Wockhardt Towers, Level-3, West Wing, C-2, G-Block, Bandra- Kurla Complex, Bandra - (East), Mumbai - 400 051, Maharashtra. Phone: 91-22 - 40959595, Fax: 91-22 - 40959597, Website: **www.stfc.in**

Email ID for Investor Grievance:

The following email ID has been designated for communicating investors' grievances.

- For Equity Shares related queries/complaints: secretarial@stfc.in
- For Public Issue of Non-Convertible Debentures 2018 Shelf and Tranche 1 Prospectus- related queries/complaints: stfcncd8comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2018 Tranche II Prospectus - related queries/complaints: stfcncd8t2comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2018 Tranche III Prospectus- related queries/complaints: stfcncd8t3comp@stfc.in

- For Public Issue of Non-Convertible Debentures 2019 Tranche I Prospectus- related queries/complaints: stfcncd9t1comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2019 Tranche II Prospectus- related queries/complaints: stfcncd9t2comp@stfc.in

The aforesaid email ids has been displayed on the Company's website

t. The list of all credit ratings for all debt instruments, fixed deposit, masala bonds, U.S. Dollar senior secured notes for details refer page no. 23 in the Directors' Report.

u. Other Disclosures

A. There are no materially significant Related Party Transactions (RPTs) with the Company's Promoters, Directors, Key Managerial Personnel or their relatives, which may have potential conflict with the interests of the Company at large. Disclosures on transactions with related parties, as required under the Indian Accounting Standard 24, have been incorporated in the Notes to the Accounts. The statement of RPTs is placed before the Audit Committee and the Board on quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature. The Policy on Materiality of RPTs and dealing with RPTs as approved by the Board is uploaded on the Company's website at the web link : https://bit.ly/36bTzpF. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission to Independent Directors. The details of the transactions with Related Party are provided in the notes to the Financial Statements.

B. There were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Stock Exchanges and SEBI, or any statutory authority on any matter related to capital markets during the last three years.

C. The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulations ensures standards of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website at the web link of **https://bit.ly/3rro6XV** .

D. Details of compliance with Mandatory requirements and adoption of non-mandatory requirements

1. The Company has complied with all the applicable mandatory requirements of the Listing Regulations.
2. The Company has also adopted the non-mandatory requirement as specified in the Listing Regulations regarding –
   - The Board - The Company does not maintain a separate office for the Non–executive Chairman. The independent directors have requisite qualification and experience to act as a Director on the Board.
   - Shareholders' Rights: The quarterly/half /yearly financial results are published in the newspapers of wide circulation and sent to individual shareholders through email to those shareholders registered their email ids with the Company Financial Results are also available on the website of the Company (https://bit.ly/3M2DYId), BSE Limited and National Stock Exchange of India Ltd
   - Unmodified Financial Statements and Reporting of Internal Auditor.

E. The Company does not have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. However, the Company has framed the Policy on Material Subsidiaries and the same is uploaded on the Company's website at the web link: https://bit.ly/3OddWEj

F. The policy on dealing with related party disclosures is uploaded on the Company's website at the web link of https://bit.ly/3O4MHf3

G. The disclosure of commodity price risks and commodity hedging activities: Not applicable.

H. In the 41st AGM, the Company had passed a special resolution authorising to raise capital through issuance of Equity Shares and/or other Eligible Securities defined under Regulation 171(a) of SEBI ICDR Regulations, including Foreign Currency Convertible Bonds (FCCBs), fully convertible debentures/partly convertible debentures, non-convertible debentures with warrants convertible into Equity Shares, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities with

or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (other "Eligible Securities"). During the financial year 2021-22, the Company has raised funds through preferential allotment and qualified institutions placement under Regulation 32(7A) and the entire net proceeds have been fully utilized for details refer Directors' Report page no. 25 and 26.

I. Pursuant to Schedule V Para C clause (10)(i) of the Listing Regulations, the Company has obtained certificate from SPNP & Associates practicing company secretary confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report as Annexure A

J. In the financial year 2021 - 2022 the board has accepted all recommendations of its committees.

K. The Company has paid all fees on a consolidated basis for all services rendered by statutory auditor.

The details of total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditors is a part, are as follows -

Particulars	Amount (Rs. in crores)
Statutory Audit Fees	0.99
Tax Audit Fees	0.09
Others	0.96
Total	**2.04**

L. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013, for details refer Directors' Report.

M. The Company has complied all the requirement of corporate governance report as contained in Clause C (2) to (10) of Schedule V read with Regulation 34(3) of Listing Regulations.

N. The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 17(5) of the Listing Regulations. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Vice Chairman & Managing Director. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also uploaded on the Company's website at the web link of **https://bit.ly/3t4qncA**

v. Equity Shares in the Suspense Account

As required under Schedule V of Listing Regulations, the Company has opened "STFC- Unclaimed Securities Suspense Account" with the Depository Participants for the purpose of transferring unclaimed equity shares held in physical form. The Company will transfer the shares lying unclaimed to the eligible shareholders as and when the request for the same has been received after proper verification. As on March 31, 2022 there were 59,998 unclaimed equity shares in the Unclaimed Suspense Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on April 01, 2021.	213	68233
Number of Shareholders / legal heirs who approached the Company for transfer of shares from the Unclaimed Suspense Account, for the period from April 01, 2021 to March 31, 2022.	14	2,510
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents, for the period from April 01, 2021 to March 31, 2022.	14	2,510
Number of Shareholders / legal heirs of whose the shares were transferred from the Unclaimed Suspense Account to Investor Education and Protection Fund Authority pursuant to the Government of India Gazette notification No. REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by Ministry of Corporate Affairs (MCA), April 01, 2021 to March 31, 2022.	15	5,725
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on March 31, 2022.	184	59,998

The Company had complied all the disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of Listing Regulations (relating to disclosure on the website of the Company)

DIVIDEND DISTRIBUTION POLICY

Preamble

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs.

The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all shareholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors (Board) will refer to the policy while declaring/ recommending dividends. Through this policy, the Company would endeavour fairness, consistency and sustainability while distributing profits to the shareholders.

This policy also stipulates the process for recommendation/ declaration of dividend and its pay-out by the Company in accordance with the provisions of the Companies Act,2013 (the Companies Act), guidelines issued by Reserve Bank of India and other rules, regulations etc. as applicable to the Company.

Class of Shares

The Company has issued only Equity Shares and no Preference shares issued by the Company are outstanding.

Category of Dividends

The Companies Act provides for two forms of Dividend- Final and Interim. The Board shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit. Normally, the Board will endeavour to declare an interim dividend after finalization of quarterly financial accounts. The Board may declare interim dividend based on profits of the Company, one or more times in a financial year as and when considered appropriate, in line with this policy.

After the annual accounts are prepared, the Board may recommend final dividend to the shareholders for their approval in the General Meeting of the Company. In the event the Board declares more than one interim dividend in a financial year, the Board may recommend to the shareholder to treat the last interim dividend as a final Dividend.

Recommendation / Declaration of Dividend

Subject to the provisions of the Companies Act, the Board shall recommend/declare/ pay the Dividend only out of-

i) Current financial year's profit:
   a) after providing for depreciation in accordance with law;
   b) after transferring to reserves such amount as may be prescribed under the Companies Act or applicable law, regulations, norms or as may be otherwise considered appropriate by the Board at its discretion.

ii) The profits for any previous financial year(s):
   a) after providing for depreciation in accordance with law;
   b) remaining undistributed; or

iii) out of i) & ii) both.

iv) out of free reserves in the manner permissible under the Companies Act.

Factors to be considered while declaring Dividend

The decision regarding dividend is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding dividend is subject to several factors and hence any optimal policy in this regard may be far from obvious. The Board considers a stable dividend to constitute an important element of the Company's investment attractiveness and shareholder return. The Company is classified as Investment and Credit Company by Reserve Bank of India, operates in rapidly developing, yet a volatile market. The Company's primary need is to maintain sufficient resources and financial flexibility to meet financial and operational requirements. The Company continually seeks ways to create shareholder value through both commercial and financial strategies, which may include both organic and inorganic development as well as the Company's capital management practices.

The shareholders of the Company may not expect dividend for a financial year(s) in the circumstances of challenging/ sluggish market conditions, tough liquidity position, losses or inadequate profits.

The Company will ensure that the eligibility criteria prescribed by the regulatory authorities under the applicable law are met including the following minimum prudential requirement for declaration of dividend prescribed by Reserve Bank of India:

Sl. No.	Parameter	Requirement
1.	Capital Adequacy	The Company should have met the following regulatory capital requirement for each of the last three financial years including the financial year for which the dividend is proposed: • Minimum capital ratio consisting of Tier I and Tier II capital of not less than 15 percent of aggregate risk weighted assets on- balance sheet and of risk adjusted value of off-balance sheet items. • The Tier I capital at any point of time, shall not be less 10 per cent.
2.	Net NPA	The net NPA ratio shall be less than 6 per cent in each of the last three financial years, including as at the close of the financial year for which dividend is proposed to be declared.
3.	Other criteria	The Company shall comply with the provisions of Section 45 IC of the Reserve Bank of India Act, 1934.The Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every financial year as disclosed in the profit and loss account and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the Bank within prescribed period i.e. twenty-one days from the date of such withdrawal or any extension given by RBI in the regard. These provisions require creation of reserve fund and transfer therein a sum not less than twenty per cent of net profit every financial year as disclosed in the profit and loss account and before any dividend is declared. The Company shall be compliant with the prevailing regulations/guidelines issued by RBI. The RBI shall not have placed any explicit restrictions on declaration of dividend.

The Board, while considering the proposals for dividend, will also take into account the supervisory findings, if any, of the Reserve Bank of India on divergence in classification and provisioning for Non-Performing Assets (NPAs) and qualifications, if any, in the Auditors' Report to the financial statements of the Company or emphasis of matter by the statutory auditor that indicates an overstatement of net profit. In case the net profit for the relevant period includes any exceptional and/or extra-ordinary profits/ income, the net profit shall be suitably adjusted to exclude such extra-ordinary items for computing dividend pay-out ratio.

The decision regarding recommendation/declaration of dividend will depend upon various external and internal factors including the following:

External Factors:-

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

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

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

Internal Factors:-

Apart from the various external factors aforementioned, the Board will take into account various internal factors while recommending / declaring Dividend, which inter alia will include-

Other factors

i) Profits earned during the year;

ii) Present and future capital requirements of the existing businesses; / capital expenditures and the Company's debt position

iii) Business Acquisitions opportunities;

iv) Expansion/ Modernization of existing businesses; / growth opportunities available to the Company

v) Additional investments in subsidiaries/associates of the Company;

vi) Fresh investments into external businesses;

vii) Cash flow from operations

viii) Cost of raising funds

ix) Providing for unforeseen events and contingencies with financial implication.

x) Any other factor as deemed fit by the Board.

Process for approval of Payment of Interim and Final Dividend

- The Company will give prior intimation of 2 working days to Stock Exchanges (excluding the date of intimation and the date of the Board meeting) of date of Board Meeting in which the declaration / recommendation of dividend will be considered.
- The Company will inform about the decision taken by Board regarding dividend to Stock Exchange within 30 minutes of the closure of the Board Meeting.
- The Company will fix Record date for the purpose of determination for list of shareholders eligible to receive dividend.
- The Company shall recommend or declare dividend at least 5 working days (excluding the date of intimation and the record date) before the record date is fixed for the purpose.
- The intimation for fixing Record date shall be given to exchange at least seven working days in advance (excluding the date of intimation and the record date).

In the event of any amendment in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law with respect to the process of recommendation/approval/payment of dividend, the same shall prevail and shall be deemed to form part of this policy.

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in business with the shareholders' funds in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors the Board may consider maintaining a Dividend Pay-out ratio in the range of 20-25% of the profits after tax (PAT), subject to applicable regulations. However, the Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision, subject to maximum dividend payout ratio of 50%. However, if the Company does not meet the applicable prudential requirement prescribed above for each of the last three financial years, may be eligible to declare dividend, subject to a cap of 10 percent on the dividend payout ratio, provided the Company complies with the following conditions :

(a) meets the applicable capital adequacy requirement in the financial year for which it proposes to pay dividend; and

(b) has net NPA of less than 4 per cent as at the close of the financial year.

The Dividend Payout Ratio is the ratio between the amount of the dividend payable in a year and the net profit as per the audited financial statements for the financial year for which the dividend is proposed.

Manner of Payment of dividend

The Company shall use any of the electronic mode of payment facility approved by the Reserve Bank for the payment of the dividends. Where it is not possible to use electronic mode of payment, 'payable-at-par' warrants or Demand drafts will be issued to the eligible shareholders.

Transfer of Unpaid / Unclaimed Dividend and Equity Shares to Investor Education and Protection Fund (IEPF)

As per section 124(5) of the Companies Act, the dividend which remains unpaid / unclaimed for a period of 7 years from the date of transfer to unpaid dividend account shall be transferred by the Company to IEPF.

Utilisation of Retained Earnings

The Retained earnings strengthen the Company's net owned funds. It will further help in maintaining Capital Adequacy Ratio (CAR) for Non-Banking Financial Companies (NBFCs) in the growth phase. The Board from time to time will decide utilization of the retained earnings depending upon various factors including organic / inorganic growth strategies of the Company, market competition, creating long term shareholder value etc. The Board will ensure judicious balancing of these factors in the interest of the Company and its stakeholders.

Reporting Requirements

The Company shall report details of dividend declared during the financial year as per the prescribed format in Annex 2 of the guidelines issued by Reserve Bank of India vide notification RBI/2021-22/59 DOR.ACC.REC.No.23/ 21.02.067/2021-22 dated June 24, 2021 within a fortnight after declaration of dividend to the Regional Office of the Department of Supervision of the Reserve Bank, under whose jurisdiction the Company is registered. out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision.

Review

This policy is in accordance with SEBI Circular No. SEBI/ LAD-NRO/GN/2016-17/008 dated July 8, 2016 and notification RBI/2021-22/59DOR.ACC.REC.No.23/ 21.02.067/2021-22 dated June 24, 2021 issued by Reserve Bank of India. The same will be reviewed by the Board periodically for additions, deletions, changes or alterations in the parameters, process of recommendation/ declaration/ pay-out of dividend considered in the policy and in line with changes in regulations as applicable to the Company.

ANNEXURE - A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Shriram Transport Finance Company Limited
Sri Towers, Plot No.14A, South Phase,
Industrial Estate, Guindy,
Chennai – 600 032, Tamil Nadu.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Shriram Transport Finance Company Limited** having CIN L65191TN1979PLC007874 and having registered office at Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032 (hereinafter referred to as 'the Company'), produced before us by the Company in electronic mode, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1	Mr. Lakshminarayanan Subramanian	02808698	22/09/2009
2	Mr. Umesh Govind Revankar	00141189	25/10/2016
3	Mrs. Kishori Jayendra Udeshi	01344073	30/10/2012
4	Mr. Srinivasan Sridhar	00004272	20/10/2014
5	Mr. Ravi Devaki Venkataraman	00171603	18/06/2015
6	Mr. Panja Pradeep Kumar	03614568	25/10/2018
7	Mr. Ignatius Michael Viljoen	08452443	14/05/2019(*)
8	Mr. Parag Sharma	02916744	13/12/2021
9	Mr. Srinivasa Chakravarti Yalamati	00052308	13/12/2021

*Appointed in the Board Meeting held on 8th May, 2019. The appointment was effective from the date of allotment of the Directors Identification Number

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

For SPNP & Associates

Nithya Pasupathy
F.C.S. No. **10601**
C.P. No.**22562**
UDIN: **F010601D000138621**

Place : Chennai
Date: 16/04/2022

CEO/CFO CERTIFICATION

To,

The Board of Directors of Shriram Transport Finance Company Limited

We, to the best of our knowledge and belief, certify that-

A. We have reviewed financial statements and the cash flow statements for the year ended March 31, 2022 and that to the best of our knowledge and belief;

   1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that;

1) there were no significant changes in internal controls over financial reporting during the year;

2) there are no significant changes in accounting policies during the year, and

3) there were no instances of significant fraud of which we are become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

UMESH REVANKAR
Vice Chairman & Managing Director

PARAG SHARMA
Joint Managing Director & CFO

Mumbai
April 28, 2022

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

The Board of Directors of Shriram Transport Finance Company Limited at its Meeting held on January 29, 2005 adopted Code of Conduct as amended on October 27, 2010 to be followed by all Members of the Board and Senior Management Personnel of the Company respectively in compliance with the Regulation 17(5) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations,2015 with the Stock Exchanges where the shares of the Company are listed.

As per Regulation 17(5) and Regulation 26(3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations,2015 executed with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2022.

UMESH REVANKAR
Vice Chairman & Managing Director

Mumbai
April 28, 2022

BUSINESS RESPONSIBILITY REPORT (BRR)

FY 2021-22

BUSINESS RESPONSIBILTY PARAMETER INDEX

Principle-Wise Performance

	Principle 1	
1)	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Yes, the policy covers only the Company
2)	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Nil
	Principle 2	
1)	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company provides financing solutions for pre-owned and new vehicles.
2)	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The company has taken various Initiatives for energy and water conservation.
3)	Does the company have procedures in place for sustainable sourcing (including transportation)? a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Not Applicable
4)	Has the company taken any steps to procure goods and services from local & small producers (including communities surrounding their place of Work)? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company gives preference to services relating to vehicle financing from local and small service centres.
5)	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so	Not Applicable
	Principle 3	
1)	Please indicate the Total number of employees.	25,456
2)	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	817
3)	Please indicate the Number of permanent women employees	1398
4)	Please indicate the Number of permanent employees with disabilities	27
5)	Do you have an employee association that is recognized by management	Not Applicable
6)	What percentage of your permanent employees are members of this recognized employee association?	Not Applicable

7)	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	
	a) Child labour/forced labour/involuntary labour	a) Nil
	b) Sexual harassment	b) Nil
	c) Discriminatory employment	c) Nil
8)	What percentage of your, under mentioned, employees were given safety & skill up-gradation training in the last year?	51% employees were given safety and skill training programmes in the last year
a)	Permanent Employees	a) 48%
b)	Permanent Women Employees	b) 3%
c)	Casual/Temporary/Contractual Employees	c) Nil
d)	Employees with Disabilities	d) Nil

Principle 4

1)	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2)	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes
3)	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes, please refer to the Principle 4 of Section E of the Report

Principle 5

1)	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	No
2)	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint was received for human rights violation during the last financial year.

Principle 6

1)	Does the policy, related to Principle 6, cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	Yes, the policy extends only to the Company
2)	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, we have environment policy in place. We have undertaken initiatives to transform our office into a paperless one.
3)	Does the company identify and assess potential environmental risks? Y/N	No
4)	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5)	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes

6)	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?	Not Applicable
7)	Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Not Applicable

Principle 7

1)	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, we are member of Finance Industry Development Council (FIDC), Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) and various other state/ city level associations.
2)	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, Governance and Administration

Principle 8

1)	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, please refer to the Principle 8 of Section E of the Report
2)	Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?	Yes, the projects are undertaken in consultation with the in-house team and external NGOs.
3)	Have you done any impact assessment of your initiative	Yes
4)	What is your Company's Direct contribution to community development projects - Amount in INR and the details of the projects undertaken?	Yes, please refer to the Section B of the Report
5)	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	Yes, we encourage our stakeholders to participate in the initiatives.

Principle 9

1)	What percentages of customer complaints/ consumer cases are pending as on the end of financial year?	1.77%
2)	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A. /Remarks (additional information)	Not Applicable
3)	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so	No
4)	4) Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes

Preface

As mandated by the Securities and Exchange Board of India (SEBI), India's top 1000 listed entities based on market capitalisation on the BSE and NSE, are required to submit a 'Business Responsibility Report' (BRR) along with their Annual Report for FY 2021-22. This report is required to be in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

As one of the pioneering companies in the financing of pre-owned and new commercial vehicles in India, we have adopted the NVG and BRR requirements both in letter and spirit. Our commitments, business decisions and activities are all aligned to the principles and to ensure strong governance around this, the business responsibility performance is assessed annually by the Board of Directors.

Section A	**General information about the Company**	
1	Corporate identification number	L65191TN1979PLC007874
2	Name of the Company	Shriram Transport Finance Company Limited ("the Company")
3	Registered address	Sri Towers, Plot No.14A, South Phase, Industrial Estate, Guindy, Chennai, Tamil Nadu – 600 032
4	Website	www.stfc.in
5	Email address	secretarial@stfc.in
6	Financial year reported	1 April 2021 – 31 March 2022
7	Sector(s) that the Company is engaged in	Financial Services (64920 – Other Credit Granting)
8	Three key products/services manufactured/ provided by the Company	The Company is engaged in financing pre-owned and new commercial, passenger vehicles, tractors, 3 wheelers, multi-utility vehicles, etc. and ancillary services such as finance for working capital, engine replacement, small business finance loans, tyre-loans and fuel loans.
9	Total number of locations where business activity is undertaken by the Company	(i) International: Nil (ii) National: 1,854 Branches
10	Markets served by the Company	India

Section B	**Financial details of the Company**	
1	Paid up capital (INR)	270.52 crores
2	Total turnover (INR)	19,274.23 crores
3	Total profit after tax (INR)	2,707.93 crores
4	Total spending on CSR as percentage of profit after tax (%)	2.57 %
5	List of the activities in which expenditure in 4 above has been incurred	Refer Pages from 34 to 40 of our Annual Report for FY 2021-22 for a detailed disclosure of our CSR activities.

Section C	**Other details**	
1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)	Not Applicable
3	Do any other entity/entities (e.g., suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	Not Applicable

Section D	BR information	
1a	Details of Director(s) responsible for BR	DIN 0141189
		Mr. Umesh Revankar
		Vice Chairman & Managing Director
1b	Details of BR Head	Name: Mr. S. Sunder
		Designation: Joint Managing Director
		91-022-40959595
		secretarial@stfc.in
2	Principle-wise BR policy/policies	Included in this report
3	Governance related to BR	Included in this report

Section E	Principle-wise performance	
1	Principle-wise performance	Included in this report

1) Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)

(a) Details of Compliance (Reply in Y/N)

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	N	Y	Y	N	Y	N	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	**Indicate the link for the policy to be viewed online?**	i. The Code of Conduct of the Company - **https://cdn.stfc.in/common/codeofconduct.pdf**								
		ii. The Whistle Blower Policy / Vigil Mechanism - **https://bit.ly/3wYSf41**								
		iii. The Fair Practice Code of the Company is available at - **https://www.stfc.in/investors/fair-practice-code-fpc/**								
		iv. Corporate Social Responsibility Policy – **https://bit.ly/3PPx6AR**								
		v. Business Responsibility Policy – **https://bit.ly/3lS49Xg**								
		vi. Note: The remaining policies of the Company are internal documents and are not accessible to the public.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	N	N	N	N	N	N	N	N

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles	--	--	--	--	--	--	--	--	--
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	--	--	--	--	--	--	--	--	--
3	The company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4	It is planned to be done within next 6 months	--	--	--	--	--	--	--	--	--
5	It is planned to be done within the next 1 year	--	--	--	--	--	--	--	--	--
6	Any other reason (please specify)	--	--	--	--	--	--	--	--	--

Note:

- The Principle-2 does not apply to us because our industry is financial services and we do not manufacture any physical products. We do, however, have a Business Responsibility Policy that covers the essential parts of this principle in general.
- While STFC provides financial services for various financial products, it does not manufacture or supply any product and is not subjected to product safety norms under applicable law. As an NBFC, the company is regulated by Reserve Bank of India for the financial services provided by it to customers. As such the aspects such as product safety and product-related natural resource are not applicable.

2) Governance related to BR

The Business Responsibility Performance is being monitored by the Board of Directors of the Company. The Company publishes business responsibility report on annual basis. The Business responsibility report is available on company website https://www.stfc.in/investors/annual-reports/ . The company also publishes its ESG Report Annually which covers Business Responsibility report and is accessible on company website https://www.stfc.in/investors/annual-reports/.

SECTION E

Principle - Wise Performance

Ethics of The Company

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability:

The Company has adopted the Business Responsibility policy, for maintaining constant vigilance and ensuring that its operations are conducted ethically. The employees of the Company's are mandated to deal with the Company's internal and external stakeholders within the boundaries of this policy. All the company's stakeholders internal and external stakeholders are expected to work within the boundaries of this policy. During the fiscal year under review, the Company received no stakeholder complaints regarding adherence to the Code of Conduct.

The Reserve Bank of India has formulated and notified to all Non-Banking Financial Companies for implementation of Fair Practices Code (FPC) for dealing with customers. This guideline addresses, among other things, loan disclosures and the use of a non-coercive recovery technique. As part of the FPC, we also have a Grievances Redressal Mechanism and a Whistle Blower Policy/Vigil Mechanism. While Grievances Redressal Mechanism is aimed at ensuring excellent customer service, Whistle Blower Policy/Vigil Mechanism gives liberty to our employees to raise concerns, via mobile application, regarding any violations of the values and Code of Conduct Our FPC is accessible viz link https://www.stfc.in/investors/fair-practice-code-fpc/. During FY 2021-22, no breach of the code of conduct were reported.

Trust, Integrity, Reliability, Credibility and continuity are essential features of the Company's governance system, which guides the organisation. The Corporate codes and policies prohibit /discourage unethical dealings such as accepting bribes/showing undue favours, Conflict of interest, financial misappropriation and fraud, , Insider trading, sharing of confidential information, prevention of sexual harassment at the workplace, etc. Our company follows the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). This Code of Conduct applies to concerned persons in order to regulate trades by designated persons in accordance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019. Any non-compliance with these policies is viewed seriously by the Boards and actions commensurate with proven violations are initiated as required. All of the company's guidelines and policies are examined, updated, and upgraded on a regular basis to ensure that they conform with all applicable local, national, and international laws and changes .It is mandatory for all our employees to adhere to the Company guidelines and policies in order to promote integrity within the organisation and a healthy work environment.

The company also has a separate Code of Conduct (Coc) that applies to all members of the Board of Directors and Senior Management. The guidelines are designed to endorse the highest standards of ethical conduct and integrity and all Directors and Senior Management personnel have affirmed compliance with this Code of Conduct. The Annual Report contains a declaration to this effect that is signed by the Vice Chairman & Managing Director.

Contribution to Sustainability

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

STFC is a Non-Banking Finance Company primarily engaged in the business of financing pre-owned and new commercial vehicles. Our product portfolio comprises providing financing solutions primarily for individuals who are first time buyers / business owners and are engaged in micro, small and medium enterprises across the country. The products have been designed to ensure that the customers can meet their financial goals and are able to achieve financial independence. Apart from providing loans to first time buyers and small road transport operators at affordable interest rates, we have financing solutions covering all the aspects of a road transportation business, other financing solutions for working capitals, vehicle tyre and engine parts replacement expenses, toll expenses, etc. We predominantly provide services to the unorganized sector and economically weaker classes, which are otherwise deprived of the benefits of financial inclusion. About 70-75% of our operations are based in the rural areas. We do not have a manufacturing unit, and hence we do not procure any raw material or natural resources.

Our primary goal at STFC is to be environment friendly in all our approaches. Since we are engaged in financing of pre-owned vehicles, we have drafted a checklist of eligibility criteria to ascertain whether the vehicle is environmentally sound, compliant to emission standards and fit for usage by our customers. Pollution Under Control (PUC) certificates and fitness certificates are mandatory for all along with insurance that needs regular renewal. Furthermore, we always encourage our employees and customers to use vehicles which run on cleaner fuels.

Employee Well-Being

Principle 3: Business should promote wellbeing of all employees.

Human resources are the most precious assets of our Company. We have employees from all cultures and regions. We value our employees' well-being and general development. Employees are a critical component of our success, and we invest in their long-term development and advancement. Robust people practices, best-in-class work environment and learning initiatives are the prime drivers behind the achievements.

We provide equality in opportunities to everyone, the value we have created so far for our stakeholders is the result of the hard work and dedication of our employees. Our employees play a critical role when understanding the requirements of customers. Our Talent acquisition has always been with the approach of entrepreneurship attitude who can understand the end-to-end requirements of the customer and provide customized solution. We have in-house facilities designed to identify the local talent and build their capabilities via training, nurturing and leadership development initiatives. Hiring local talent enables us to break language barriers and have a better understanding of the geographic demography required to connect with our diverse customer base.

Young employees performing exceptionally are selected for Future Leadership training based on various performance parameters and such employees are being trained at a regular interval to prepare themselves for leadership roles in future. Employees can enrol for management learning programmes, which are at par with the courses offered at various management education institutes in India, to work upon and build managerial skills. Apart from these, at periodic intervals, we impart induction trainings focusing on products, processes, and policies to our new employees while for existing employees we conduct refreshers trainings to communicate recent upgradations in products, processes and policies

There are 25,456 people working for us out of those 1,398 permanent female employees and 27 permanent disabled employees. We have one women Director, and three women hold position in key management roles. Our all employees are being provided with various benefits for their well-being like they have health insurance, accident insurance, Maternity benefits etc. Moreover, our lowest attrition rate shows our commitment towards the growth and wellbeing of our employees.

The yearly health check-up has been extended to all STFC employees in keeping with the company's commitments to employee health and well-being. The Company is conducting frequent medical check up to its employees through local hospitals. A term life insurance coverage for employees is also provided by the company. In light of the COVID-19 pandemic, Company has taken several steps to minimize its impact on operations and ensure the well-being of its employees. All the employees of the Company are vaccinated with both the doses of Covid-19 vaccine.

STFC has Death compensation for employees, which pertains to providing benefits to the family member of the deceased employee in case of natural death. Employees who had worked with STFC for a minimum continuous period of five years would be eligible for the above-mentioned benefit. Also, the EDLI (Employee's deposit linked insurance) scheme is in place as per which the nominee of an employee on account of natural or accidental death is eligible for compensation, irrespective of his/her basic salary.

Employees who do not have ESIC coverage are covered with the Group Mediclaim policy. This policy covers an employee, his or her spouse, and two children for an amount of Rs. 5 lakhs. An employee can avail the facility in case of hospitalisation for more than 24 hours. We endorse a high-performance culture and periodically organize training programmes for enhancement of skills of employees.

STFC is devoted to investing in its employee's skill and competency development, as well as their general progress and well-being, in order to foster a culture of performance excellence inside the company. 48% of permanent employees including 3% of women are being imparted training on safety and skill upgradation.

Communication at regular intervals with its employees is offering opportunities to them for skill development so that they can broaden their professional horizons. This includes Mycoach E-Learning Platform, which covers all of our products and processes along with the Mybook and Quiz Platforms, which serve as supplementary learning aids.

In addition to My coach E-learning platform, Company also prioritise its employees, ongoing education and provide opportunities for academic and professional development through the Management Education Scheme, which allows our front-line executives to enrol in a distance MBA course that is comparable to those offered by other management institutes in the country. Employees who have benefited from this programme and completed it successfully serve as mentors during on-the-job trainings and provide help to their co- employees as needed.

Besides training, management communicates with employees through quarterly evaluations, in which key stakeholders ensure that the employee is well-directed and oriented towards the intended learning and performance goals.

'ShriConnect' company's monthly newsletter is designed to keep employees informed about new ventures and developments. We have an Employee Rewards Program in place to recognise and formally thank individual employees for their contributions. Each employee's account is credited with reward points depending on a set of pre-determined criteria. We owe our gratitude to our leadership team for their continuous efforts in this regard. Our relationship executives are our "Feet on the Street," the vital contact between us and our clients.

STFC prohibits discrimination based on race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability, harassment, whether sexual, verbal, physical or psychological against any employee. Our business model and field level operations are mainly male dominated, however, as a policy we are constantly trying to increase the women workforce in support functions of the organisation. The Policy on Prevention of Sexual Harassment at Workplace (POSH)ensures the safety and security of female employees. Each complaint of sexual harassment is investigated by an independent Committee chaired by women employee and consisting of various internal and external female members, providing full anonymity to the complainant and in cases where evidence of harassment is found, strict disciplinary action is initiated. All sexual harassment cases are reviewed and followed up by the Audit Committees. The premises are also equipped with CCTV cameras for security monitoring to ensure employees have a safe place to work. The Company also conducted an exhaustive video-based learning module for all employees for an awareness and compliance perspective on POSH. There were no complaints related to child labour, forced labour, involuntary labour or sexual harassment as at the end of Financial year 2021-22.

Stakeholder Engagement

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

We are an equal opportunity employer, and our remuneration practices are based on merit, irrespective of the person's ethnic background, gender or other personal considerations.

The Company strongly believes in 'Enriching lives' of the communities in which it operates. STFC identified vulnerable and disadvantaged sections amongst key stakeholders. For upliftment of commercial driver community various initiatives have been taken. In addition to this Company's CSR programmes and projects are designed to help the needy, worthy, socioeconomically backward, and disadvantaged populations improve the quality of their life.

Driving basics, classroom sessions, and on-road practise, safety precautions, sanitation, and hygiene aspects, as well as soft upskilling efforts such as English language classes, daily Yoga sessions, grooming etiquettes, and regular health check-ups, are all part of the 280-hour training programme for new drivers. For senior drivers advanced training programmes are provided, which focuses on cleanliness, hygiene, Soft skills and etiquette development. Post completion of the trainings, all participants receive a certificate from LSC, which is equivalent to a Vocational Training Diploma Certificate, and we also sponsor the licensed fee for the successful candidates.

This effort has created job possibilities for the country's unemployed young, with the bulk of those engaged in the logistics and transportation sections of large corporations around the country. The fact that women candidates trained as part of this initiative have been hired as bus drivers by the Tamil Nadu State Transport and that the Municipal Corporation of Indore City in Madhya Pradesh has made it mandatory for its waste collection drivers to be trained under this programme is a source of great pride for us.

HUMAN RIGHTS

Principle 5: Businesses should respect and promote human rights.

STFC is dedicated to conducting business in a fair and transparent manner, upholding the highest ethical standards and implementing policies that protect the environment, human rights, and labour regulations. The Company's codes and policies reflect these values. It is our constant endeavour to uphold human rights of all our employees as manifested in the Constitution of India. STFC values integrity of all regulations and ensures compliance with all applicable laws in this regard. Company pays fair wages to all the employees without any discrimination and treat everyone with dignity. Employees are given opportunities based on their merit and equal benefits are provided to all. Our employees have freedom to raise concerns and provide feedback to the management. We did not receive any complaint pertaining to violation of human rights in FY 2021-22

ENVIRONMENTAL PROTECTION

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

The Company constantly strives towards becoming environmentally friendly wherever it consumes natural resources, generates waste and in transactions with its various customers. We do not engage in manufacturing; hence our business operations do not have any direct, significant negative environmental impacts in terms of toxic waste or effluent generation. However, we acknowledge the importance of environment protection and actively engage our employees, customers, and communities to communicate about the role each of them can play for environment protection.

STFC green initiative, ShriPrakruti urges our employees to become more eco-friendly, conscious and responsible. We strive towards reduction of paper consumption through introduction of digital initiatives for our employees and customers. In our efforts to become a paperless office, we have propagated use of digital signature on all communication to avoid printing on letter heads, requested our shareholders to opt for soft copies of annual reports and other relevant documents and for payment of interest, dividend, maturity amount of debentures and fixed deposits etc. we make continuous appeal to the investors to furnish their bank account details to enable Company to use electronic mediums (like NECS, NEFT, RTGS) of payment/remittance.

To promote digital collection of Loan instalments and investment in Fixed Deposits through online mode, we had offered cashback on payment of Loan EMIs and differential interest rates on Fixed Deposits to the customers.

Our endeavour to create a positive impact on the environment is manifest in our financing, as we only finance vehicles which are tested for compliance on Government prescribed emission limits. We encourage our customers to replace their old vehicles with better, more efficient models and thus contributing towards to the overall environmental quality. In the process of loan disbursement, fitness certificate of the financed vehicle for safe driving is mandatory along with the insurance policy which has to be renewed regularly. In order to maintain the efficiency of vehicles and in turn ensure minimal adverse impacts on environment, STFC provides financial assistance to its customers for replacement of tyres and engine parts. Company has stopped purchase of DG (Diesel Generator) set to avoid pollution and follow timely switching off all electronic equipment to reduce energy consumption in our branch offices. To create environmental benefits, we have substituted videoconferencing over employee travel. Furthermore, we abide by our environmental policy through measures such as replacing conventional lighting fixtures with LEDs, installation of 5-star rated air conditioners and replacing old technology and gadgets with more efficient substitutes. We prioritise timely disposal of E-waste and other scraps and have installed censer-based taps to restrict excess usage of water.

We are taking steps towards supporting Indian economy in Electric Vehicles (EVs), a market witnessing emergence of new players. We at STFC will join hands to contribute our best towards growing demand of EVs. We are working towards financing electric vehicle in the two-wheeler segment, and the vehicle continues to attract the interest of potential buyers. We will diligently work towards establishing the right environment for EV uptake and integration.

RESPONSIBLE ADVOCACY

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

The company is a member of the Finance Industry Development Council (FIDC), Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) along with various other state/ city level associations. Within the scope of the above-mentioned associations, Company actively engages in policy advocacy and contribute proactively to discussions and resolutions on various industry concerns.

STFC supports the activities taken by the organisations listed above in their efforts to develop or improve the public good. The company's leadership team interacts with various professional bodies and organizations to anticipate and understand the economic scenario relating to non-banking finance and in the best interests of the commercial vehicle financing section of the industry and small road transport operators, including factors such as governance, administration, economic reforms, and inclusive development strategies, among others. We consistently attempt to balance the interests of various stakeholders while making any recommendations in this regard.

INCLUSIVE GROWTH

Principle 8: Businesses should support inclusive growth and equitable development

The Company has a Corporate Social Responsibility Policy in place with the objective to support inclusive growth and equitable development. We cater to the unorganized weaker sections of the society provides financing solutions at affordable interest rates and favourable repayment terms to the Small Road Transport Operators (SRTOs) and First Time Buyers (FTBs) of the society. First Time Buyers (FTBs) and driver-turned owner (DTO) by offering affordable finance on pre-owned commercial vehicles (CVs). We constantly strive to improve the quality of life of the community and make efforts to complement and support the development priorities of the nation.

Our aim is to propagate financial advancements by helping unemployed individuals in setting up their own road transportation business in areas where there is a lack of financial services such as the rural areas and social economically disadvantaged sections of the country. We strongly believe in giving back to the society and this is the guiding principle around which all the Corporate Social Responsibility (CSR) activities are undertaken.

The Company has made fund allocations across thematic segments (and sub-segments) provided under Schedule VII of the CSR Rules, 2014 and the major allocations were made under the broad thematic heads of education, preventive healthcare, and skill development.

During FY 2021-22, we contributed INR 69.72 Crores towards CSR activities and the initiatives are mainly segregated into Preventive Healthcare, Education and Skill Development.

For the implementation of these projects, we have partnered with various implementary agencies such as Shriram Seva Sankalp Foundation, Buddy4study Foundation, Terna DB Driver Training Institute, D B Skills Foundation, Piramal Swasthya Management & Research Institute, Chennai Mathematical Institute, Single Teacher School, Indian Red Cross Society and Association of people with disability.

The Impact assessment report of Education for Regular Scholarship Programme is provided in the link - https://tinyurl.com/3zp9jadx

Details of the financial support provided during FY 2021-22: please refer to Annexure I of Directors' Report.

Education

STFC has been extending scholarships to enable and augment formal education and learning for children and youth from the families of underprivilege transport fraternity. Key features of the STFC scholarship initiative include:

- Given quality education to students studying between standards 8 and 12 (secondary and higher secondary education).
- Follows a merit-based scholarships to the children who have obtained minimum 60% marks in the previous academic year.
- Students are identified and scholarships are sourced through state/district level transport associations and various outreach program.

STFC's scholarship project has been proactively working towards providing increased opportunities to students from disadvantaged groups for improved and holistic education. Over 1,80,000 students from multiple regions of the country were directly supported for education at the secondary and higher secondary level till date.

Merit-based selection of students combined with the involvement of transport associations as a critical stakeholder in identification of students and for disbursement of scholarship amount strengths the credibility of this initiative.

Preventive Healthcare

Securing good health and well-being through mobile medical units {MMUs) - A Good Health Ecosystem building Platform for transport fraternity.

Guided by the National Health Mission's (NHM) vision of ensuring that all people in the country can access quality and affordable health services, "MMU/Clinic" provides free of-cost medical check-ups, lab tests and medicines to truckers community, that remain largely isolated from mainstream healthcare eco systems. STFC funded MMUs/ Clinic are functional across 15 locations in 11 states. It aims at improving the accessibility to primary healthcare for the weaker sections of the society.

Key focus of STFC funded MMUs/Clinic

- Free primary healthcare services.
- Screening, diagnosis, treatment and referral for non-communicable, communicable diseases, and minor ailments.
- Awareness, education and counselling on healthy practices, lifestyle modifications, non-communicable disease management etc.
- A unique model of Tobacco Cessation Counselling and referrals program for trucking community.
- Multi stakeholder partnership - Transport associations, government and non-government agencies.

STFC has crossed the benchmark of reaching out to 8.90 lakh plus beneficiaries with an average of more than 85% trucking community.

Skill Development

STFC is contributing towards the Skill India mission by extending trainings for the skilling, re-skilling and upskilling of drivers. The key focus of STFC's driver training project includes:

- Training in light motor vehicles (LMVs) and heavy motor vehicles (HMVs).
- STFC has come forward with its own Driver Training Program and trained more than 24,000 youth in India.

Driver trainings in both LMVs and HMVs are conducted across the length and breadth of the country. This unique project involves training new drivers in light motor vehicles as well as heavy motor vehicles. STFC engages with unemployed youth from the under-privileged sections of society and imparts a holistic training program to become a skilled truck driver. Post the successful completion of the training program, the drivers are certified by Automotive Skill Development Council (ASDC) & once they have procured their driving license, STFC through its training partner assists them to find jobs in the transport industry.

Over & above regular driver training program we also have Defensive driver training program for existing commercial vehicle drivers that makes them aware about the latest driving rules, standard driving practices and the required driving mechanics.

STFC has successfully contributed towards elevating the social status of the drivers, which is considered a Bottom of the Pyramid (BOP) job, by extending trainings for the skilling, re-skilling and up-skilling of drivers, besides ensuring safety of those undertaking this hazardous job.

RESPONSIBILITY TOWARDS CUSTOMERS

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

Company is committed to highest standards of ethical practices and moral business conduct within the frameworks of law. They have a Fair practice code to address the customer complaints, ensures settlement of insurance claims, Renewal of insurance policy, approval of permits from RTOs and vehicle refurbishment via partner service centres. We also support a number of welfare programmes for our clients and their families in order to assure their well-being and foster positive relationships.

We have a proven track record of excellent customer service and have consistently maintained one of the lowest complaints' ratio in terms of the number of complaints to the number of loans granted. We have a track record of loyal customers who were able to achieve financial independence through the long-term relationship with our Company. We are committed to creating value for our customers by providing products and services and building long-lasting relationships with them. Our effective implementation of the Fair Practice Code for redressal of customer grievances ensure that settlement of insurance claims, renewal of insurance policy, obtaining of permits from RTOs and refurbishments of vehicles via partner service centres are hassle-free processes and the customers are well informed and attended to in a cordial, efficient and effective manner. We also sponsor various welfare programs for our customers and their families to ensure their well-being and promote a good relationship.

The Company had launched POSP appointment program encouraging employees to pursue the training course, to explore and learn about multiple insurance products that our customers need from time to time. Upon certification as a Point-of-Sale Person the employees can start assisting the customers in meeting all their insurance needs.

Customers are lifeline of Shriram Family, so in order to provide outstanding customer attention to all we have a system in place in which dedicated front-line executives are allocated to all customers and are accountable for all interactions and addressing customer needs. We have a system in place for clients who have closed their accounts with us, and we keep track of their information. In case, the same customer returns to us for another loan at a later date, he/she doesn't have to follow the extra formalities as the customer Information is already available in our database.

Company is moving towards Digital Empowerment for ease and betterment of their customers "Incentivising Digital Economy & Getting Closer to Customers". They are helping their customers in creating their account in which customers are incentivized to transact digitally with reward points for every transaction.

SECRETARIAL COMPLIANCE REPORT OF SHRIRAM TRANSPORT FINANCE COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2022

I, P. Sriram, Proprietor of P. Sriram & Associates have examined:

(a) All the documents and records made available to us and explanation provided by Shriram Transport Finance Company Limited ("the listed entity"),

(b) The filings/ submissions made by the listed entity to the stock exchanges,

(c) Website of the listed entity,

(d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, including:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018,

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; *(Not Applicable to the company during the review period)*

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013; *(Not Applicable to the company during the review period)*

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; as amended

(i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(j) Securities and Exchange Board of India (Depositories and Participant) Regulations,2018;

And circulars guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	NIL	NIL	NIL

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges *(including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL	NIL	NIL	NIL	NIL

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended… (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
NA	NA	NA	NA	NA

For P. Sriram & Associates

P. Sriram
FCS No.: 4862
C P No.: 3310
UDIN: F004862D000224059
PEER REVIEW NO: S2011TN155200

Place: Chennai
Date: 28.04.2022

SHRIRAM

Transport Finance Company Limited

A WINNING RELATIONSHIP

FINANCIAL SECTION

STANDALONE ACCOUNTS

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To the Members of
Shriram Transport Finance Company Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying standalone financial statements of Shriram Transport Finance Company Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note 63 to the Standalone Financial Statements which describes the facts that the additional Expected Credit Loss ('ECL') provision on account of COVID–19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment, and other emerging forward-looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. Further, the extent to which the COVID–19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. Our Opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the year under report. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial statements.

   A. Impairment Loss Allowance of loans and advances

   (Reference to Note 12 read with Statement of Accounting Policies Note 6.1(xi) and Note No. 63 of the Other Notes forming part of Standalone Financial statements– Schedule to the Standalone Financial Statements)

	(Rs. in crores)
Gross Advances	125,699.03
Provisions*	9,033.88
Net Advances	116,665.15
COVID-19 Provision*	2,052.58

(*COVID-19 Provisions - towards management overlay on account of COVID-19 is included in above provisions)

B. Significant estimates and judgment involved

Key Audit Matter

During the year, Reserve Bank of India issued revised guidelines (including clarifications thereon) on Income Recognition and Asset Classification norms ("IRAC"). These guidelines prescribe the prudential norms for identification and classification of such assets as Stage 3 / NPAs.

The Company has applied its judgement to determine the identification and classification of such assets as Stage 3 / NPAs by applying quantitative as well as qualitative factors. The risk of identification of such assets as Stage 3 / NPAs is affected by factors like stress and liquidity concerns of such assets.

Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Company has significant credit risk exposure considering the large loan portfolio across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the asset quality and provision of the Company. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

C. Auditor's Response

Audit Procedures included but were not limited to the following:

We have started our audit procedures with understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.

We also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company which is based on and in compliance with Ind AS 109 "Financial Instruments".

Accordingly, we assessed the approach of the Company regarding definition of Default, Probability of Default (PD), Loss Given Default (LGD) and incorporation of forward-looking information for the calculation of ECL.

For loans and advances which are assessed for impairment on a portfolio basis we performed particularly the following procedures:

- Read the Company's policies for identification, classification and assessing compliance for Stage 3 / NPAs customers in line with the IRAC norms;
- We understood the design, reliability and operating effectiveness of key data inputs and related management controls;
- We performed substantial audit procedure relating to identification and classification of Stage 3 / NPAs by the company.
- We tested the identification / grouping of the loan accounts mapped with the customer code as identified by the management;
- We tested the exception reports generated from the company's software systems where the loan accounts have been recorded.
- We performed analytical procedures to identify possible cases of evergreening of loans and tested these on sample basis.
- We checked the stage classification as at the balance sheet date as per the definition of Default of the Company and Reserve Bank of India circulars issued from time to time;
- We validated the ECL Model and its calculation by involving our Information Technology Expert;
- We have checked on sample basis that the stage classification for the borrowers has been given in accordance with the Resolution Framework issued by Reserve Bank of India (the 'RBI') and the Board approved policy for ECL provisioning and stage classification with respect to such accounts;
- We have verified whether the ECL provision is made in accordance with the Board Approved Policy in this regard;

- We have also calculated the ECL provision manually for selected samples;
- We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information and based on an event in a particular geographical range;
- With respect to additional provision made by the Company on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company; and
- We have assessed disclosure requirements for classification and identification of Stage 3/ NPAs in accordance with RBI circulars including those issued specifically issued for COVID-19 related matters.

For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regards along with its compliance on sample basis.

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

7. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report like Management Discussion and Analysis, Director's Report and Corporate Governance Report, but does not include the Standalone Financial Statements and our auditors' report thereon which we obtained prior to the date of this auditor's report, and Annual Report, which is expected to be made available to us after that date.

8. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management's responsibility for the Standalone Financial Statements

10. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ("Ind AS") specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

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

Auditor's responsibilities for the audit of the Standalone Financial Statements

14. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

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

15.2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

15.3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

15.4 Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

15.5 Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

19. The comparative financial statements of the Company for the year ended 31 March 2021 included in Standalone Financial Statements, were audited by the then Joint statutory auditors "Haribhakti & Co. LLP, Chartered Accountants" and "Pijush Gupta & Co., Chartered Accountants" whose reports dated 29 April 2021 expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

20. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a

statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

21.1 We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

21.2 In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

21.3 The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, the statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account.

21.4 In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

21.5 On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

21.6 With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

21.7 With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

22. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us, we report as under:

22.1 The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Standalone Financial Statements – Refer Note 49 to the Standalone Financial Statements;

22.2 The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the Standalone Financial Statements;

22.3 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

22.4 (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has also represented to us, to the best of its knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause 22.4(a) and 22.4(b) contain any material misstatement.

22.5 As stated in Note 30 to the Standalone Financial Statements

(a) The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Directors of the Company have not proposed final dividend for the year. As such the interim dividend aggregating to Rs. 20/-per share (i.e. 200 %) shall be the final dividend for the financial year 2021-22 . The amount of dividend declared is in accordance with section 123 of the Act, as applicable.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
Membership Number: 217914
UDIN: 22217914AHYPLD3562
Place: Mumbai
Date: 28 April 2022

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm Registration Number - 105146W/W- 100621

Gautam Shah
Partner
Membership Number: 117348
UDIN:22117348AHYPWL1328
Place: Mumbai
Date: 28 April 2022

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Shriram Transport Finance Company Limited for the year ended 31 March 2022

(Referred to in paragraph 20 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ("PPE") and relevant details of right-of-use assets.

The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) and intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988 as amended in 2016) and rules made thereunder. Refer note 84 to the Standalone Financial Statements.

ii. (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.

(b) During the year, the Company has availed sanctioned working capital limit in excess of Rs. 5 crores from Banks or Financial Institutions on the basis of security of Loans. Based on our examination of the records of the company, the quarterly returns/ statements filed by the company with the said bank are in agreement with the books of accounts maintained by the Company.

iii. (a) Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(a) of the Order is not applicable to it.

(b) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

(c) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 12 and 63 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.

(d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its

customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 12 and 63 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.

(e) Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(e) of the Order is not applicable to it.

(f) Based on our audit procedures, according to the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.

iv. According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; the other provisions of Section 186 of the Act are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company being a non-banking financial company registered with the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion and according to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues relating to amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and any other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company did not have dues which have not been deposited as on March 31, 2022, except for the following:

Name of the statute	Nature of dues	Amount* (Rs. In crores)	Period to which the amount relates @	Forum where dispute is pending
Income Tax Act, 1961	Income Tax demands	35.25	A.Y. 2018-19	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands	13.44	A.Y. 2017-18	ITAT
Income Tax Act, 1961	Income Tax demands	26.10	A.Y. 2016-17	Madras High Court
Income Tax Act, 1961	Income Tax demands	5.46	A.Y. 2014-15	Madras High Court
Income Tax Act, 1961	Income Tax demands	5.79	A.Y. 2014-15	Assessing Officer
Income Tax Act, 1961	Income Tax demands	1.80	A.Y. 2014-15	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands	1.53	A.Y. 2013-14	Madras High Court
Income Tax Act, 1961	Income Tax demands	5.02	A.Y. 2013-14	Assessing Officer

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Name of the statute	Nature of dues	Amount* (Rs. In crores)	Period to which the amount relates @	Forum where dispute is pending
Income Tax Act, 1961	Income Tax demands	0.47	A.Y. 2012-13	Madras High Court
Income Tax Act, 1961	Income Tax demands	5.27	A.Y. 2012-13	Assessing Officer
Income Tax Act, 1961	Income Tax demands	10.00	A.Y. 2011-12	Assessing Officer
Income Tax Act,1961	Income Tax demands	9.21	A.Y. 2010-11	Assessing Officer
Income Tax Act, 1961	Income Tax demands	10.26	A.Y. 2009-10	Madras High Court
Income Tax Act, 1961	Income Tax demands	1.84	A.Y. 2008-09	Madras High Court
Income Tax Act, 1961	Income Tax demands	0.27	A.Y. 2007-08	Madras High Court
Income Tax Act, 1961	Income Tax demands	0.08	A.Y. 2006-07	Assessing Officer
Finance Act, 1994 (Service tax)	Service tax on interest on hypothecation loans	1,768.66	F.Y. 2005-06 to April 01, 2017 to June 30, 2017	Mumbai High Court
Finance Act, 1994 (Service tax)	Service tax demand on securitisation collection commission	192.88	F.Y. 2008-09 to 2014-2015	CESTAT (Custom, Excise and Service tax appellate tribunal)
Finance Act, 1994 (Service tax)	Service tax on hire purchase and lease transaction	3.90	1st March 2006 to 31st March 2010	Supreme Court
Maharashtra Value Added Tax	Value added tax	0.29	F.Y. 2016-17	Joint Commissioner of Sales tax- Mazgaon
Maharashtra Value Added Tax	Value added tax	0.02	F.Y. 2015-16	Joint Commissioner of Sales tax - Bandra
Maharashtra Value Added Tax	Value added tax	0.79	F.Y. 2014-15	Joint Commissioner of Sales tax - Mazgaon
Maharashtra Value Added Tax	Value added tax	0.01	F.Y. 2014-15	Joint Commissioner of Sales tax - Bandra
Maharashtra Value Added Tax	Value added tax	0.21	F.Y. 2012-13 to 2013-14	Deputy Commissioner of Sales Tax - Appeals - Mumbai
Maharashtra Value Added Tax	Value added tax	5.40	F.Y. 2007-08 to 2013-14	Maharashtra Sales Tax Tribunal
Maharashtra Value Added Tax	Value added tax	0.00#	F.Y. 2006-07	Deputy Commissioner of Sales Tax - Appeals – Mumbai
Maharashtra Value Added Tax	Value added tax	0.00#	F.Y. 2005-06	Maharashtra Sales Tax Tribunal - Pune
Andhra Pradesh Value Added Tax	Value added tax	0.12	F.Y. 2010-11 to 2012-13	High court of Telangana - Hyderabad
Andhra Pradesh Value Added Tax	Value added tax	3.27	F.Y 2009-10 to 2010-11 and 1st April 2011 to 31st August 2012	High court of Telangana - Hyderabad
Andhra Pradesh Value Added Tax	Value added tax	3.48	F.Y. 2005-06 to 2008-09	High court of Andhra Pradesh – Vijaywada
Rajasthan Value Added Tax	Value added tax	1.59	F.Y. 2012-13 to 2015-16 And 1st April, 2016 to 4th Nov 2016	Rajasthan Tax Tribunal, Ajmer

Name of the statute	Nature of dues	Amount* (Rs. In crores)	Period to which the amount relates @	Forum where dispute is pending
Rajasthan Value Added Tax	Value added tax	1.16	F.Y. 2006-07 to 2011-12	Supreme Court – Delhi
Karnataka Value Added Tax	Value added tax	8.07	F.Y. 2010-11 to 2016-17	High court of Karnataka
Orissa Value Added Tax	Value added tax	0.09	F.Y. 2008-09 to 2012-13	DCCT – Bhubaneshwar
Telangana Value Added Tax	Value added tax	9.81	F.Y. 2013-14 to 2016-17 and April 17 to June 17	High Court of Telangana
Tamil Nadu Value Added Tax	Value added tax	3.73	F.Y. 2014-15 to 2016-17 and April 17 to June 17	The Company is in the process of filing an appeal with Madras High Court.
Tamil Nadu Value Added Tax	Value added tax	2.90	F.Y. 2006-07 to 2013-14	Supreme Court – Delhi

*Above amounts are net of amount paid under protest, wherever paid.

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores

@ A.Y. = Assessment Year, F.Y. = Financial Year

viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.

(c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans from bank during the year for the purposes for which they were obtained, other than temporary parking in Cash credit account for a few days at the end of the year, pending utilization towards purpose for which the same are obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) & (f) The company has not taken any funds from any entity or person on account of or to meet the obligations of its associate. The Company does not have any subsidiaries or joint ventures.

x. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any moneys raised by way of further public offer during the current financial year. In our opinion, monies raised by the Company by way of debt instruments and term loans were applied for the purposes for which those were obtained, though idle/ surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made preferential allotment of equity shares during the year. The Company has complied with the relevant provisions of the Act in connection with the funds raised through preferential allotment and the same have been utilised for the purposes for which they were raised

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit, other than the instances of fraud noticed and reported by the management in terms of the regulatory provisions applicable to the Company amounting to Rs. 3.14 crore comprising of 2 instances.

(b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.

xii. The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act, 2013 are not applicable to the Company.

xvi. (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.

(b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us, the Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.

(d) As per information provided in course of our audit, the Group to which the Company belongs has 3 CIC's as defined in the Core Investment Companies (Reserve Bank) Directions, 2016.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. During the year, Haribhakti & Co. LLP, Chartered Accountants and Pijush Gupta & Co., Chartered Accountants, the joint Statutory auditors of the Company have resigned with effect from 15 September 2021 consequent to amended rules/ regulations applicable to the Company. (i.e. vide RBI circular dated 27 April 2021). According to the information and explanations given to us, there have been no issues, objections or concerns raised by the said outgoing joint statutory auditors of the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, along with details provided in Note 47 to the Standalone Financial statements which describe the maturity analysis of assets & liabilities other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount pertaining to the year under report to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there is no amount which is remaining unspent under sub section 5 of section 135 of the Act pursuant to any ongoing CSR project.

xxi. Information of qualification remarks with respect to Associate as reported by Component auditor in their CARO report are as follows:

Sr. No.	Name of the Company	CIN	Holding Company/ subsidiary/Associate/ Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Shriram Automall India Limited	U50100TN2010PLC074572	Associate and its subsidiaries	Clause vii (a)

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
Membership Number: 217914
UDIN: 22217914AHYPLD3562
Place: Mumbai
Date: 28 April 2022

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm Registration Number - 105146W/W- 100621

Gautam Shah
Partner
Membership Number: 117348
UDIN:22117348AHYPWL1328
Place: Mumbai
Date: 28 April 2022

Annexure B to the Independent Auditor's report on the Standalone Financial Statements of Shriram Transport Finance Company Limited for the year ended 31 March 2022

(Referred to in paragraph 21.6 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

Opinion

1. We have audited the internal financial controls with reference to the Standalone Financial Statements of Shriram Transport Finance Company Limited ("the Company") as at 31 March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.
2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's responsibility for Internal Financial Controls

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

7. A company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Standalone Financial Statements include those policies and procedures that (1) pertain

to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

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

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
Membership Number: 217914
UDIN: 22217914AHYPLD3562
Place: Mumbai
Date: 28 April 2022

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm Registration Number - 105146W/W- 100621

Gautam Shah
Partner
Membership Number: 117348
UDIN:22117348AHYPWL1328
Place: Mumbai
Date: 28 April 2022

BALANCE SHEET

AS AT MARCH 31, 2022

(Rs. in crores)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	8	10,662.44	11,050.93
(b) Bank balance other than (a) above	9	5,692.72	5,390.89
(c) Derivative financial instruments	10	201.40	169.25
(d) Receivables	11		
(I) Trade receivables		5.35	8.92
(II) Other receivables		192.67	49.90
(e) Loans	12	116,665.15	108,303.04
(f) Investments	13	6,809.16	3,197.85
(g) Other financial assets	14	51.45	49.03
Total financial assets		**140,280.34**	**128,219.81**
(2) Non-financial assets			
(a) Current tax assets (net)	15	228.24	171.73
(b) Deferred tax assets (net)	43	869.38	639.14
(c) Investment property	16	1.97	2.00
(d) Property, plant and equipment	17	110.56	124.44
(e) Right-of-use assets	18	302.52	308.51
(f) Other intangible assets	19	3.04	2.39
(g) Other non-financial assets	20	310.04	293.32
Total non-financial assets		**1,825.75**	**1,541.53**
Total assets		**142,106.09**	**129,761.34**
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables	21		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.02	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		166.01	152.52
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		1.46	0.37
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.21	0.54
(b) Debt securities	22	41,256.55	40,061.87
(c) Borrowings (other than debt securities)	23	46,676.93	45,281.37
(d) Deposits	24	21,948.98	16,232.41
(e) Subordinated liabilities	25	4,614.25	4,620.76
(f) Lease liabilities	18	349.43	349.49
(g) Other financial liabilities	26	859.64	1,149.82
Total financial liabilities		**115,874.48**	**107,849.15**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	27	36.82	102.02
(b) Provisions	28	138.18	142.54
(c) Other non-financial liabilities	29	124.42	99.26
Total non-financial liabilities		**299.42**	**343.82**
Total liabilities		**116,173.90**	**108,192.97**
(3) Equity			
(a) Equity share capital	30	270.52	253.06
(b) Other equity	31	25,661.67	21,315.31
Total equity		**25,932.19**	**21,568.37**
Total liabilities and equity		**142,106.09**	**129,761.34**

See accompanying notes to the financial statements

As per our report of even date

For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary

Mumbai
April 28, 2022

(Rs. in crores)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations			
(i) Interest income	32	18,646.26	17,128.14
(ii) Dividend income		-	-
(iii) Rental income		0.17	0.21
(iv) Fees and commission income	33	100.08	115.86
(v) Net gain on fair value changes	34	221.70	21.80
(vi) Net gain on derecognition of financial instruments under amortised cost category		217.74	58.85
(vii) Other operating income	35	69.22	95.59
(I) Total Revenue from operations		**19,255.17**	**17,420.45**
(II) Other Income	36	19.06	15.95
(III) Total Income (I + II)		**19,274.23**	**17,436.40**
Expenses			
(i) Finance cost	37	9,734.31	9,054.26
(ii) Fees and commission expenses	38	91.74	78.89
(iii) Impairment on financial instruments	39	3,860.86	3,118.40
(iv) Employee benefits expenses	40	997.09	906.25
(v) Depreciation, amortisation and impairment	41	135.37	137.36
(vi) Other expenses	42	905.61	863.23
(IV) Total expenses		**15,724.98**	**14,158.39**
(V) Profit before exceptional items and tax (III - IV)		**3,549.25**	**3,278.01**
(VI) Exceptional items		-	-
(VII) Profit before tax (V+ VI)		**3,549.25**	**3,278.01**
(VIII) Tax Expense:			
(1) Current tax	43	1,112.57	1,197.77
(2) Deferred tax	43	(188.93)	(545.36)
(3) Tax adjustment for earlier years	43	(82.32)	138.34
(IX) Profit for the year from continuing operations (VII - VIII)		**2,707.93**	**2,487.26**
(X) Profit for the year		**2,707.93**	**2,487.26**
(XI) Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(3.24)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.82	-
Subtotal (A)		**(2.42)**	-
B (i) Items that will be reclassified to profit or loss			
Cash flow hedge reserve			
Gain/(loss) on effective portion of hedging instruments in a cash flow hedge		(160.87)	(124.31)
(ii) Income tax relating to items that will be reclassified to profit or loss		40.49	31.29
Subtotal (B)		**(120.38)**	**(93.02)**
Other comprehensive income (A + B)		**(122.80)**	**(93.02)**
(XII) Total Comprehensive income for the year (X + XI)		**2,585.13**	**2,394.24**
(XIII) Earnings per equity share (face value Rs. 10/- per equity share)	44		
Basic (Rs.)		101.74	100.97
Diluted (Rs.)		101.74	100.97

See accompanying notes to the financial statements

As per our report of even date

For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary

Mumbai
April 28, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity share capital

(1) Current reporting period

(Rs. in crores)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
As at March 31, 2021				As at March 31, 2022
253.06	-	253.06	17.46	270.52

(2) Previous reporting period

(Rs. in crores)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
As at March 31, 2020				As at March 31, 2021
226.88	-	226.88	26.18	253.06

B. Other equity

(1) Current reporting period

(Rs. in crores)

Particulars	Share application money pending allotment	Reserves and surplus									Other comprehensive income	Money received against share warrants	Total
		Capital reserve	Securities premium	Other Reserves									
				Statutory reserve	Debenture redemption reserve #	Capital redemption reserve	General reserve	Remeasurement gain/(loss) on defined benefit plan	Retained earnings		Effective portion of cash flow hedges		
Balance at the beginning of the current reporting period (as at April 01, 2021)	-	27.64	3,201.27	4,166.39	921.41	53.88	2,663.27	(9.66)	10,384.13		(93.02)	-	21,315.31
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-		-	-	-
Restated balance at the beginning of the current reporting period	-	27.64	3,201.27	4,166.39	921.41	53.88	2,663.27	(9.66)	10,384.13		(93.02)	-	21,315.31
Profit for the year	-	-	-	-	-	-	-	-	2,707.93		-	-	2,707.93
Other comprehensive income for the year	-	-	-	-	-	-	-	(2.42)	-		(120.38)	-	(122.80)
Total comprehensive income for the year	-	-	-	-	-	-	-	(2.42)	2,707.93		(120.38)	-	2,585.13
Dividends (interim)	-	-	-	-	-	-	-	-	(539.65)		-	-	(539.65)
Dividends (final for the year ended March 31, 2021)	-	-	-	-	-	-	-	-	(160.23)		-	-	(160.23)
Transferred to/(from) (refer note 31 Other equity)	-	-	-	541.59	(614.13)	-	270.80	-	(198.26)		-	-	-
Any other change:													
Securities premium proceeds received on issue of equity shares (refer note 30 Equity and note 31 Other equity)	-	-	2,482.54	-	-	-	-	-	-		-	-	2,482.54
Share issue expenses (refer note 30 Equity and note 31 Other equity)	-	-	(21.43)	-	-	-	-	-	-		-	-	(21.43)
Money received against share warrants	-	-	-	-	-	-	-	-	-		-	250.00	250.00
Shares allotted during the year	-	-	-	-	-	-	-	-	-		-	(250.00)	(250.00)
Balance at the end of the current reporting period (as at March 31, 2022)	-	27.64	5,662.38	4,707.98	307.28	53.88	2,934.07	(12.08)	12,193.92		(213.40)	-	25,661.67

(2) Previous reporting period

(Rs. in crores)

Particulars	Share application money pending allotment	Reserves and surplus								Other comprehensive income	Money received against share warrants	Total
		Capital reserve	Securities premium	Other Reserves								
				Statutory reserve	Debenture redemption reserve #	Capital redemption reserve	General reserve	Remeasurement gain/(loss) on defined benefit plan	Retained earnings	Effective portion of cash flow hedges		
Balance at the beginning of the current reporting period (as at April 01, 2020)	-	**27.64**	**1,754.81**	**3,668.93**	**610.41**	**53.88**	**2,414.54**	**(9.66)**	**9,257.73**	-	-	**17,778.28**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	**27.64**	**1,754.81**	**3,668.93**	**610.41**	**53.88**	**2,414.54**	**(9.66)**	**9,257.73**	-	-	**17,778.28**
Profit for the year	-	-	-	-	-	-	-	-	2,487.26	-	-	**2,487.26**
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(93.02)	-	**(93.02)**
Total comprehensive income for the year	-	-	-	-	-	-	-	-	**2,487.26**	**(93.02)**	-	**2,394.24**
Dividends (interim)	-	-	-	-	-	-	-	-	(303.67)	-	-	**(303.67)**
Transferred to/(from) (refer note 31 Other equity)	-	-	-	497.46	311.00	-	248.73	-	(1,057.19)	-	-	-
Any other change:												
Securities premium proceeds received on issue of equity shares (refer note 30 Equity and note 31 Other equity)	-	-	1,466.01	-	-	-	-	-	-	-	-	**1,466.01**
Rights issue expenses (refer note 30 Equity and note 31 Other equity)	-	-	(19.55)	-	-	-	-	-	-	-	-	**(19.55)**
Balance at the end of the current reporting period (as at March 31, 2021)	-	**27.64**	**3,201.27**	**4,166.39**	**921.41**	**53.88**	**2,663.27**	**(9.66)**	**10,384.13**	**(93.02)**	-	**21,315.31**

Refer note 31 Other equity

See accompanying notes to the financial statements

As per our report of even date
For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
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Managing Director
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Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary

Mumbai
April 28, 2022

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,549.25	3,278.01
Depreciation, amortisation and impairment	135.37	137.36
Interest income on loans	(18,028.13)	(16,611.31)
Finance costs	9,734.31	9,054.26
Loss/(profit) on sale of property plant and equipment (net)	0.79	0.65
Impairment on loans	3,865.02	3,128.29
Impairment on investments	(2.00)	(4.22)
Impairment on undrawn loan commitment	(4.00)	(5.45)
Impairment on other assets	1.84	(0.22)
Net (gain)/loss on fair value changes on investment	(236.83)	(22.87)
Net (gain)/loss on fair value changes on direct assignment	15.13	1.07
Net gain on derecognition of financial instruments under amortised cost category	217.74	58.85
Cash inflow from interest on loans	18,006.70	18,405.90
Cash outflow towards finance costs	(8,588.09)	(7,745.19)
Operating profit before working capital changes	**8,667.10**	**9,675.13**
Movements in working capital:		
Decrease/(increase) in loans	(12,205.70)	(10,994.29)
Decrease/(increase) in investments	(3,372.48)	(372.28)
Decrease/(increase) in receivables	(372.06)	(102.64)
Decrease/(increase) in bank deposits	(301.83)	(1,164.96)
Decrease/(increase) in other financial assets	(4.26)	(10.11)
Decrease/(increase) in other non-financial assets	(14.67)	(41.13)
Increase/(decrease) in payables	13.51	8.68
Increase/(decrease) in other financial liabilities	(138.25)	3.94
Increase/(decrease) in non-financial liabilities	25.16	15.98
Increase/(decrease) in other provision	(3.60)	1.66
Cash used in operations	**(7,707.08)**	**(2,980.02)**
Direct taxes paid (net of refunds)	(1,151.94)	(1,258.75)
Net cash flows from/(used in) operating activities (A)	**(8,859.02)**	**(4,238.77)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(35.75)	(25.82)
Proceeds from sale of property, plant and equipment and intangible assets	1.42	0.94
Net cash generated from/(used in) investing activities (B)	**(34.33)**	**(24.88)**

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including share premium and net of share issue expenses)	2,478.57	1,472.64
Proceeds/(repayment) on settlement of derivative contracts	(32.15)	589.48
Increase / (decrease) in fixed deposits (net)	5,443.14	4,206.86
Amount received from debt securities	16,637.86	10,636.15
Repayment of debt securities	(16,203.36)	(5,797.45)
Proceeds/(repayment) of subordinated debts	(50.32)	(1,069.27)
Amount received from borrowings other than debt securities	41,477.93	38,480.04
Repayment of borrowings other than debt securities	(40,280.10)	(36,032.94)
Payment of lease liabilities	(114.90)	(107.33)
Dividend paid	(851.81)	(152.59)
Net cash generated from/(used in) financing activities (C)	**8,504.86**	**12,225.59**
Net increase in cash and cash equivalents (A+B+C)	(388.49)	7,961.94
Cash and cash equivalents at the beginning of the year	11,050.93	3,088.99
Cash and cash equivalents at the end of the year	**10,662.44**	**11,050.93**

(Rs. in crores)

Components of cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents at the end of the year		
i) Cash on hand	95.05	79.61
ii) Cheques on hand	5.56	6.16
iii) Balances with banks (of the nature of cash and cash equivalents)	2,654.78	5,014.78
iv) Call money (CBLO)	3,198.60	2,498.85
v) Bank deposit with original maturity upto three months or less	4,708.45	3,451.53
Total	**10,662.44**	**11,050.93**

The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

See accompanying notes to the financial statements

As per our report of even date

For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
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Partner

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For and on behalf of the Board of Directors of
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Vivek M. Achwal
Company Secretary

Mumbai
April 28, 2022

1 CORPORATE INFORMATION

Shriram Transport Finance Company Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing commercial vehicles. It also provides loans for equipment and other business purposes. It also accepts deposits from the public. The Company is registered with the Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA) and Insurance Regulatory and Development Authority of India (IRDA). The registration details are as follows:

RBI	07-00459
Corporate Identity Number (CIN)	L65191TN1979PLC007874
IRDA	CA0197

The Company is an associate of Shriram Capital Limited and Deposit Accepting Non-Banking Finance Company ("NBFC"), NBFC - Investment and Credit Company (NBFC-ICC)holding a Certificate of Registration from the Reserve Bank of India ("RBI") dated April 17, 2007.

The registered office of the Company is Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai, Tamil Nadu– 600 032. The principal place of business is Wockhardt Towers, West Wing, Level-3, C-2, G-Block, Bandra -Kurla Complex, Bandra (East), Mumbai, Maharashtra- 400 051.

The financial statements of the Company for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on April 28, 2022.

2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under the Section 133 of the Companies Act, 2013 ('the Act'). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting standards and other relevant provisions of the Companies Act 2013, guidelines issued by the RBI as applicable to a NBFCs and other accounting principles generally accepted in India. Any application guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable.

The regulatory disclosures as required by Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the RBI are prepared as per the Ind AS financial statements, pursuant to the RBI notification on Implementation of Indian Accounting Standards, dated March 13, 2020.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (refer note 6.1 (xi)).

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

The financial statements are presented in Indian Rupees in Crores (INR Crores or Rs. in crores) which is also the functional currency of the Company and all values are rounded to the nearest crore, except when otherwise indicated.

3 PRESENTATION OF FINANCIAL STATEMENT

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to Non-banking Finance Companies (NBFCs), as notified by the MCA. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows. The Company classifies its assets and liabilities as financial and non-financial and presents them in the order of liquidity. An analysis regarding expected recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in notes to the financial statements. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

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

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

4 STATEMENT OF COMPLIANCE

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

The Company has consistently applied accounting policies to all the periods except for note 6.1 (xi).

5 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE /RECENT ACCOUNTING DEVELOPMENTS

MCA notifies new standard or amendments to the existing standards. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 which is effective from April 01, 2022. On March 24, 2021, MCA through a notification, amended Schedule III of the Companies Act, 2013 effective from April 01, 2021. Amendments relating to Division III which relate to NBFCs whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, have been complied with.

6 SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss

The classification depends on the contractual terms of the cashflows of the financial assets and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.
- At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business model/ (s) have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

Debt instruments

These financial assets comprise bank balances, Loans, Trade receivables, investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in the statement of profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date, the Company does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at fair value through other comprehensive income (FVOCI).

Amounts presented in other comprehensive income are not subsequently transferred to the statement of profit and loss. Dividends on such investments are recognised in the statement of profit and loss.

(iv) Financial assets measured at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

Equity Investments

Investment in Associate is carried at cost in the Separate Financial Statements as permitted under Ind AS 27. All other equity investments are measured at fair value through profit or loss.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial liability as measured at fair value through profit or loss.

(v) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities.

Hedge accounting:

The Company has adopted hedge accounting. The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria. The Company has formally designated and documented the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge: A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect the statement of profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in other comprehensive income as cash flow hedge reserve. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

(vi) Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

(vii) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(viii) Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

- The premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

(ix) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2020-21 and until the year ended March 31, 2022.

(x) Recognition and Derecognition of financial assets and liabilities

Recognition

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. Accordingly, gain or loss on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss. As at the reporting date, the Company does not have any financial liabilities which have been derecognised.

(xi) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other financial assets not held at fair value through profit or loss (FVTPL), together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Business Loans, secured loans for new vehicles, secured loans for used vehicles and Equipment Finance Loans.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for e.g. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

In line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021 borrower accounts shall be flagged as overdue as part of the day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as Non-Performing Asset / Stage 3 shall be done as part of day-end process for the relevant date i.e. more than 90 days overdue and NPA/Stage 3 classification date shall be the calendar date for which the day end process is run. In other words, the date of Non-Performing Asset / Stage 3 shall reflect the asset classification status of an account at the day-end of that calendar date.

The Company has carried out the requirement in line with Reserve Bank of India Clarification and accordingly the change in accounting policy is effective financial year 2021-22 and impact on financials is disclosed in note 79.

Upgradation of accounts classified as Stage 3/Non-performing assets (NPA) - The Company upgrades loan accounts classified as Stage 3/NPA to "standard" asset category only if the entire arrears of interest, principal and other amount are paid by the borrower and there is no change in the accounting policy followed by the company in this regard.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

ECL on Investment in Government securities:

The Company has invested in Government of India loans. Investment in Government securities are classified under stage 1. No ECL has been applied on these investments as there is no history of delay in servicing of interest/repayments. The Company does not expect any delay in interest/redemption servicing in future.

Simplified approach for trade/other receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to the statement of profit and loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss upon derecognition of the assets. As at the reporting date, the Company does not have any debt instruments measured at fair value through OCI.

Undrawn loan commitments

When estimating ECL for undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown. The Company discloses ECL allowance on undrawn loan commitments under the head "Provisions" under Non-financial liabilities.

The mechanics of ECL

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 53.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 53.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 53.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably. Refer note 63 for impact of COVID and macro-economic factors on PD and LGD estimation.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, wherever possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. The Company generally does not use the assets repossessed for the internal operations. The underlying loans in respect of which collaterals have been repossessed and not sold for more than 12 months are considered as Stage 3 assets and fully provided for net of estimated realizable value or written off. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet as it does not meet the recognition criteria in other standards and consequently the Company also does not derecognise the underlying financial asset immediately on repossession. The Company had revised its policy to fully provide for the underlying loans net of its estimated realisable value in respect of which collaterals had been repossessed and not sold for more than 6 months. The change in accounting policy is effective financial year 2021-22 and impact on financials is disclosed in note 78.

Restructured loans

The Company is permitted to restructure customer accounts. Restructuring would normally involve modification of terms of the advances / securities, which would generally include, among others, alteration of payment period / payable amount / the amount of instalments / rate of interest, sanction of additional credit facility/ release of additional funds for a customer account. The Company considers the modification of the loan only before the loans gets credit impaired. In case of restructuring, the accounts classified as 'standard' shall be immediately downgraded as non-performing assets / Stage 3 unless and other wise explicitly stated in the Circulars and Directions issued by Reserve Bank of India from time to time. Once an asset has been classified as restructured, it will remain restructured for a period of year from the date on which it has been restructured until the customer account demonstrates satisfactory performance during the specified period.

For upgradation of accounts classified as Non-Performing Assets due to restructuring, the instructions as specified for such cases as per the said RBI guidelines shall continue to be applicable

Loan accounts which have been restructured or modified in accordance with RBI Notifications - RBI/2020-21/16 DOR. No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020- Resolution Framework for COVID-19 related Stress and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021- Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses and RBI/2020-21/17 DOR. No.BP.BC/4/21.04.048/2020-21- dated August 06, 2020 - Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances and RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) have been classified as Stage 2 due to significant increase in credit risk.

(xii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss. Write off in case of standard accounts is done by way of waiver of last one or two instalments in case the borrower pays all the EMIs as per the due dates mentioned in the agreement.

(xiii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 6.1(iii) to 6.1(vi)) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in the statement of profit and loss when the inputs become observable, or when the instrument is derecognised.

6.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets measured at amortised cost other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of ECL provision) of the financial asset.

Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

Interest spread under par structure of direct assignment of loan receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the statement of profit and loss.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset.

(iv) Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

(v) Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 34), held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any debt instruments measured at FVOCI.

(vi) Net gain/loss on derecognition of financial instruments under amortised cost category

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the statement of profit and loss. The resulting interest only strip initially is recognised at FVTPL under interest income.

6.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company fully contributes all ascertained liabilities to The Trustees - Shriram Transport Finance Company Limited Employees Group Gratuity Assurance Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the statement of profit and loss.

The Company presents the provision for compensated absences under provisions in the Balance Sheet.

(iii) Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 (transition date). The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases, the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise an extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term. The Company's lease asset class consist of leases for office premises.

In case of a sub-lease, the Company accounts for its head lease and sub-lease separately.

The Company as a lessor

Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset. Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

(iv) Other income and expenses

All other income and expense are recognised in the period they occur.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

ii. When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(vii) Dividends on ordinary shares

The Company recognises a liability to make cash distributions to equity shareholders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013 final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

6.4 Foreign currency translation

(i) Functional and presentational currency

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(ii) Transactions and balances

Initial recognition

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the statement of profit and loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

6.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents). CBLO and short- term deposits, as defined above.

6.6 Property, plant and equipment

Property, plant and equipment (PPE) are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, if it is probable that future economic benefit will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years
Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	5 years	5 years
Electronic equipment	5 years	5 years
Office equipment	5 years	5 years
Refrigerator	5 years	5 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss from / upto the date of acquisition/sale.

6.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

6.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the statement of profit and loss in the same period.

6.9 Ind AS 101 - First-time Adoption of Indian Accounting Standards

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, intangible assets and investment property as at March 31, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment, intangible assets and investment property as on April 01, 2017.

6.10 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

6.11 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent liabilities are reviewed at each Balance Sheet date.

6.12 Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised nor disclosed in the financial statements. Contingent assets are reviewed at each Balance Sheet date.

6.13 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6.14 Cash flow Statement

Cash flows are reported under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Company.

7 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

7.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels

of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(xi) Overview of ECL principles.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed at each Balance sheet date and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

7.7 Estimating the incremental borrowing rate

The Company uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to for its incremental borrowings.

7.8 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
8	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	95.05	79.61
	Balances with banks (of the nature of cash and cash equivalents)	2,654.78	5,014.78
	Cheques on hand	5.56	6.16
	Others		
	- Call money (CBLO)	3,198.60	2,498.85
	- Bank deposit with original maturity upto three months or less	4,708.45	3,451.53
	Total	**10,662.44**	**11,050.93**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The Company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
9	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**		
	Earmarked balances with banks for		
	- Interim dividend	-	151.84
	- Unclaimed dividend accounts	9.72	9.81
	Bank deposit with original maturity for more than three months	574.16	351.50
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments. *	5,108.84	4,877.74
	Total	**5,692.72**	**5,390.89**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits Rs. 4,829.26 crores (March 31, 2021: Rs. 4,642.90 crores) pledged with Banks as margin for credit enhancement, Rs. 33.30 crores (March 31, 2021: Rs. 34.36 crores) as margin for guarantees and Rs. 246.28 crores (March 31, 2021: Rs. 200.48 crores) pledged as lien against loans taken.

10 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The Company has adopted hedge accounting.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(Rs. in crores)

		As at March 31, 2022				As at March 31, 2021			
	Particulars	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I									
(i)	**Currency derivatives:**								
	- Spots and forwards	17,040.59	97.84	-	-	13,826.90	79.37	-	-
	- Currency swaps	2,320.47	(276.95)	-	-	2,320.38	(103.23)	-	-
	- Cross currency interest rate swaps	3,408.70	364.13	-	-	6,236.92	181.54	-	-
	Sub total (i)	**22,769.76**	**185.02**	**-**	**-**	**22,384.20**	**157.68**	**-**	**-**

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

(Rs. in crores)

Particulars		As at March 31, 2022				As at March 31, 2021			
		Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
(ii)	**Interest rate derivatives:**								
	-Interest rate swaps	14,049.63	3.18	-	-	14,047.48	9.72	-	-
	-Interest rate caps	-	13.20	-	-	-	1.85	-	-
	Sub total (ii)	**14,049.63**	**16.38**	**-**	**-**	**14,047.48**	**11.57**	**-**	**-**
(iii)	**Credit derivatives:**	-	-	-	-	-	-	-	-
(iv)	**Equity linked derivatives:**	-	-	-	-	-	-	-	-
(v)	**Other derivatives:**	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)+(v)		**36,819.39**	**201.40**	**-**	**-**	**36,431.68**	**169.25**	**-**	**-**
Part II									
	Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i)	Fair value hedging:	-	-	-	-	-	-	-	-
(ii)	Cash flow hedging:	-	-	-	-	-	-	-	-
	- Currency derivatives	22,769.76	185.02	-	-	22,384.20	157.68	-	-
	- Interest rate derivatives	14,049.63	16.38	-	-	14,047.48	11.57	-	-
(iii)	Net investment hedging:	-	-	-	-	-	-	-	-
(iv)	Undesignated derivatives	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)		**36,819.39**	**201.40**	**-**	**-**	**36,431.68**	**169.25**	**-**	**-**

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 53.

Derivatives designated as hedging instruments

The Company designates its derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates. At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract matches that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the hedging instruments are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Derivatives not designated as hedging instruments

There are no undesignated derivatives.

Notes:

1) The interest rate risk and exchange rate risk on the borrowings of the Company are managed using various derivative instruments which are entered from time to time. The risk management strategy and the use of derivatives are explained in Note 53 - Risk management and Note 94 - Derivatives.

2) The Company has designated the interest rate derivatives which were entered to mitigate interest rate risks on its external commercial bond and external commercial borrowings, as hedging instruments.

The impact of the hedging instrument on the Balance sheet is as follows:

(Rs. in crores)

	As at March 31, 2022				As at March 31, 2021			
Hedged Instrument	**Notional Amount**	**Carrying Amount**	**Line item in the Balance sheet**	**Change in fair value used for measuring ineffectiveness for the year**	**Notional Amount**	**Carrying Amount**	**Line item in the Balance sheet**	**Change in fair value used for measuring ineffectiveness for the year**
Currency derivatives/ Interest rate derivatives	36,819.39	201.40	Derivative Financial Instruments	160.87	36,431.68	169.25	Derivative Financial Instruments	124.31

The impact of hedged items on the Balance sheet is as follows:

(Rs. in crores)

	As at March 31, 2022		As at March 31, 2021	
Hedged Item	**Change in value used for measuring ineffectiveness**	**Cash flow hedge reserve as on March 31, 2022**	**Change in value used for measuring ineffectiveness**	**Cash flow hedge reserve as on March 31, 2021**
External commercial bond and external commercial borrowings	(160.87)	(213.40)	(124.31)	(93.02)

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

(Rs. in crores)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Hedged Item	External commercial bond and external commercial borrowings	
Total hedging gain / (loss) recognised in OCI	(160.87)	(124.31)
Ineffectiveness recognised in the statement of profit and loss	-	-
Line item in the statement of profit and loss that include the hedge ineffectiveness	NA	NA
Amount reclassified from cash flow hedge reserve to the statement of profit and loss	-	-
Line item in the statement of profit and loss that includes the reclassification adjustment	NA	NA

11 RECEIVABLES

(I) Trade receivables

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	5.35	8.92
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Gross	**5.35**	**8.92**
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net	**5.35**	**8.92**

Trade receivables ageing

As at March 31, 2022

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	5.35	-	-	-	-	5.35
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
Gross	**-**	**-**	**5.35**	**-**	**-**	**-**	**-**	**5.35**

As at March 31, 2021

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	8.92	-	-	-	-	8.92
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
Gross	**-**	**-**	**8.92**	**-**	**-**	**-**	**-**	**8.92**

11 RECEIVABLES (Contd.)

The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.

There are no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

(II) Other receivables

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured	192.67	49.90
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	2.61	1.88
Gross	**195.28**	**51.78**
Less: Allowances for impairment loss on credit impaired other receivables	2.61	1.88
Net	**192.67**	**49.90**

There are no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

(Rs. in crores)

Other receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
Estimated total gross carrying amount at default	**March 31, 2022**	189.17	4.10	0.59	0.27	0.85	0.30	**195.28**
ECL-simplified approach		-	1.45	0.01	-	0.85	0.30	**2.61**
Net carrying amount		**189.17**	**2.65**	**0.58**	**0.27**	-	-	**192.67**
Estimated total gross carrying amount at default	**March 31, 2021**	46.82	2.58	0.43	0.19	0.19	1.57	**51.78**
ECL-simplified approach		-	0.04	0.04	0.04	0.19	1.57	**1.88**
Net carrying amount		**46.82**	**2.54**	**0.39**	**0.15**	-	-	**49.90**

Reconciliation of impairment loss allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2020	**2.10**
Add: Addition during the year	0.21
(Less): Reduction during the year	(0.43)
Impairment allowance as per March 31, 2021	**1.88**
Add: Addition during the year	1.00
(Less): Reduction during the year	(0.27)
Impairment allowance as per March 31, 2022	**2.61**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
12 LOANS		
Loans (at amortised cost)		
(A)		
i) Term loans	123,999.00	113,424.31
ii) Others @	1,700.03	2,767.28
Total (A) - Gross	**125,699.03**	**116,191.59**
Less : Impairment loss allowance (refer note 63)	9,033.88	7,888.55
Total (A) - Net	**116,665.15**	**108,303.04**
(B)		
i) Secured by tangible assets	123,981.87	113,415.53
ii) Secured by deposits	17.13	8.78
iii) Unsecured	1,700.03	2,767.28
Total (B) - Gross	**125,699.03**	**116,191.59**
Less : Impairment loss allowance (refer note 63)	9,033.88	7,888.55
Total (B) - Net	**116,665.15**	**108,303.04**
(C)		
Loans outside India	-	-
Loans in India		
i) Public sector	-	-
ii) Others		
Retail	125,285.30	115,654.09
Corporates	413.73	537.50
Total (C) - Gross	**125,699.03**	**116,191.59**
Less : Impairment loss allowance (refer note 63)	9,033.88	7,888.55
Total (C) - Net	**116,665.15**	**108,303.04**

There are no loans measured at FVOCI or FVTPL or designated at FVTPL.

@ includes unsecured working capital loans, loans to employees, trade advances and part disbursement to customers.

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 53.02.02.07.

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade								
Performing								
High grade	85,781.86	-	-	**85,781.86**	66,806.72	-	-	**66,806.72**
Standard grade	17,711.12	-	-	**17,711.12**	27,108.94	-	-	**27,108.94**
Sub-standard grade	-	8,511.97	-	**8,511.97**	-	6,570.01	-	**6,570.01**
Past due but not impaired	-	4,806.53	-	**4,806.53**	-	7,413.11	-	**7,413.11**
Non- performing	-	-	8,887.55	**8,887.55**	-	-	8,292.81	**8,292.81**
Total	**103,492.98**	**13,318.50**	**8,887.55**	**125,699.03**	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**

12 LOANS (Contd.)

An analysis of changes in the gross carrying amount as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**
New assets originated or purchased	54,151.77	5,925.28	1,731.40	**61,808.45**	32,100.42	4,062.47	1,318.50	**37,481.39**
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(40,462.98)	(6,026.81)	(3,091.93)	**(49,581.72)**	(22,592.41)	(3,531.65)	(2,157.84)	**(28,281.90)**
Transfers to stage 1	10,616.77	(8,891.78)	(1,724.99)	-	9,958.65	(7,726.70)	(2,231.95)	-
Transfers to stage 2	(10,291.06)	10,849.87	(558.81)	-	(9,766.35)	10,722.93	(956.58)	-
Transfers to stage 3	(3,544.42)	(2,299.79)	5,844.21	-	(2,449.08)	(1,693.12)	4,142.20	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(892.76)	(221.39)	(1,605.14)	**(2,719.29)**	(400.54)	(110.47)	(998.60)	**(1,509.61)**
Gross carrying amount closing balance	**103,492.98**	**13,318.50**	**8,887.55**	**125,699.03**	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	General approach				General approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**3,046.35**	**1,356.07**	**3,486.13**	**7,888.55**	**2,156.05**	**928.08**	**3,185.95**	**6,270.08**
New assets originated or purchased	1,735.00	628.10	754.40	**3,117.50**	1,010.13	402.20	556.65	**1,968.98**
Transfers to stage 1	1,628.92	(891.41)	(737.51)	-	1,381.13	(602.54)	(778.59)	-
Transfers to stage 2	(335.64)	574.88	(239.24)	-	(260.75)	598.96	(338.21)	-
Transfers to stage 3	(118.19)	(241.53)	359.72	-	(65.42)	(145.29)	210.71	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(1,682.33)	6.31	2,423.13	**747.11**	(774.25)	285.13	1,648.22	**1,159.10**
Amounts written off	(892.76)	(221.39)	(1,605.13)	**(2,719.28)**	(400.54)	(110.47)	(998.60)	**(1,509.61)**
ECL allowance - closing balance	**3,381.35**	**1,211.03**	**4,441.50**	**9,033.88**	**3,046.35**	**1,356.07**	**3,486.13**	**7,888.55**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs. 1,689.33 crores (Rs. 1,080.81 crores for March 31, 2021).

13 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Amor-tised Cost	At Fair value Through profit or loss	Others (at cost)	Total	Amor-tised Cost	At Fair value Through profit or loss	Others (at cost)	Total
i) Investments in mutual funds	-	1,523.02	-	**1,523.02**	-	-	-	-
ii) Investments in government securities (refer note 65)	3,154.39	-	-	**3,154.39**	2,058.34	-	-	**2,058.34**
iii) Investments in equity instruments	-	23.89	-	**23.89**	-	6.74	-	**6.74**
iv) Investments in associates (at cost)	-	-	13.37	**13.37**	-	-	13.37	**13.37**
v) Investments in pass through certificates (unquoted)	1,106.88	-	-	**1,106.88**	1,155.87	-	-	**1,155.87**
vi) Investments in certificate of deposits	-	822.29	-	**822.29**	-	-	-	-
vii) Investments in commercial papers	199.79	-	-	**199.79**	-	-	-	-
viii) Others (venture capital fund)	-	1.53	-	**1.53**	-	1.54	-	**1.54**
Total Gross (A)	**4,461.06**	**2,370.73**	**13.37**	**6,845.16**	**3,214.21**	**8.28**	**13.37**	**3,235.86**
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	4,461.06	2,370.73	13.37	**6,845.16**	3,214.21	8.28	13.37	**3,235.86**
Total Gross (B)	**4,461.06**	**2,370.73**	**13.37**	**6,845.16**	**3,214.21**	**8.28**	**13.37**	**3,235.86**
Less : Allowance for impairment loss (C)	(36.00)	-	-	**(36.00)**	(38.01)	-	-	**(38.01)**
Total - Net D = (A) - (C)	**4,425.06**	**2,370.73**	**13.37**	**6,809.16**	**3,176.20**	**8.28**	**13.37**	**3,197.85**

More information regarding the valuation methodologies can be found in Note 52.09.

There is no investments measured at FVOCI or designated at FVTPL.

Investments carried at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system for investments carried at amortised cost are explained in note 53.02.

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	4,461.06	-	-	**4,461.06**	3,214.21	-	-	**3,214.21**
Standard grade	-	-	-	-	-	-	-	-
Non-performing								
Individually Impaired	-	-	-	-	-	-	-	-
Total	**4,461.06**	-	-	**4,461.06**	**3,214.21**	-	-	**3,214.21**

13 INVESTMENTS (Contd.)

An analysis of changes in gross carrying amount and the corresponding ECLs on investments carried at amortised cost which are subject to ECL is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	**3,214.21**	-	-	**3,214.21**	**2,767.25**	**52.67**	-	**2,819.92**
New assets originated or purchased	2,141.55	-	-	**2,141.55**	1,093.04	2.08	-	**1,095.12**
Assets derecognised or matured (excluding write-offs)	(894.71)	-	-	**(894.71)**	(646.08)	(54.75)	-	**(700.83)**
Closing balance	**4,461.06**	-	-	**4,461.06**	**3,214.21**	-	-	**3,214.21**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**38.01**	-	-	**38.01**	**23.79**	**18.44**	-	**42.23**
New assets originated or purchased	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	(2.00)	-	-	**(2.00)**	14.22	-	-	**14.22**
Recoveries	-	-	-	-	-	(18.44)	-	**(18.44)**
Closing balance in ECL	**36.00**	-	-	**36.00**	**38.01**	-	-	**38.01**

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
14	**OTHER FINANCIAL ASSETS**		
	Security deposits *	51.45	46.96
	Other financial assets	-	2.07
	Total	**51.45**	**49.03**

* Net of allowance for impairment loss recognised on security deposit Rs. 0.39 crores (March 31, 2021: Rs. 0.51 crores).

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
15	**CURRENT TAX ASSETS (NET)**		
	Advance income tax [net of provision for income tax Rs. 5,577.72 crores (March 31, 2021: Rs. 5,168.83 crores)]	228.24	171.73
	Total	**228.24**	**171.73**

(Rs. in crores)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Freehold Land	Buildings	Total	Freehold Land	Buildings	Total
16 INVESTMENT PROPERTY						
Gross block*						
Opening balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Accumulated depreciation						
Opening balance	-	**0.15**	**0.15**	-	**0.12**	**0.12**
Depreciation charge for the year	-	0.03	**0.03**	-	0.03	**0.03**
Disposals	-	-	-	-	-	-
Closing balance	-	**0.18**	**0.18**	-	**0.15**	**0.15**
Net carrying amount	**0.70**	**1.27**	**1.97**	**0.70**	**1.30**	**2.00**

*Refer note 6.9 of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

(i) Amounts recognised in Statement of Profit and Loss for Investment property

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rental income from investment property	0.17	0.21
Direct operating expenses arising from investment property that generated rental income during the year	0.02	0.02
Direct operating expenses arising from investment property that did not generate rental income during the year	0.00	-
Profit from investment property before depreciation	**0.15**	**0.19**
Depreciation charge for the year	0.03	0.03
Profit from investment property after depreciation	**0.12**	**0.16**

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The fair value of the investment property as at March 31, 2022 is Rs. 6.12 crores (March 31, 2021 is Rs. 6.12 crores).

(iv) Pledged details

Investment property is not pledged.

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) Leasing arrangements

Investment properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

17 PROPERTY, PLANT AND EQUIPMENT

(Rs. in crores)

Particulars	Freehold Land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total
Gross block*									
As at April 01, 2020	**0.59**	**2.39**	**11.09**	**54.29**	**31.59**	**30.69**	**0.25**	**104.63**	**235.52**
Additions	-	-	0.70	10.03	2.61	1.58	-	9.49	**24.41**
Disposals	-	-	0.43	7.48	1.96	0.94	-	4.94	**15.75**
As at March 31, 2021	**0.59**	**2.39**	**11.36**	**56.84**	**32.24**	**31.33**	**0.25**	**109.18**	**244.18**
Additions	-	-	0.93	15.56	3.00	2.56	-	11.18	**33.23**
Disposals	-	-	0.83	14.55	2.64	1.60	0.19	6.73	**26.54**
As at March 31, 2022	**0.59**	**2.39**	**11.46**	**57.85**	**32.60**	**32.29**	**0.06**	**113.63**	**250.87**
Accumulated depreciation and impairment losses									
As at April 01, 2020	**-**	**(0.03)**	**2.82**	**18.92**	**11.68**	**6.52**	**(0.09)**	**45.82**	**85.64**
Charge for the year	-	0.05	1.54	15.50	5.67	3.48	0.08	21.94	**48.26**
Disposals	-	-	0.37	6.49	1.80	0.82	-	4.68	**14.16**
As at March 31, 2021	**-**	**0.02**	**3.99**	**27.93**	**15.55**	**9.18**	**(0.01)**	**63.08**	**119.74**
Charge for the year	-	0.05	1.47	13.18	5.57	3.52	0.08	21.04	**44.91**
Disposals	-	-	0.63	13.23	2.43	1.39	0.18	6.48	**24.34**
As at March 31, 2022	**-**	**0.07**	**4.83**	**27.88**	**18.69**	**11.31**	**(0.11)**	**77.64**	**140.31**
Net carrying amount as at March 31, 2021	**0.59**	**2.37**	**7.37**	**28.91**	**16.69**	**22.15**	**0.26**	**46.10**	**124.44**
Net carrying amount as at March 31, 2022	**0.59**	**2.32**	**6.63**	**29.97**	**13.91**	**20.98**	**0.17**	**35.99**	**110.56**

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2022 is Rs. 0.32 crores (March 31, 2021 is Rs. 0.35 crores).

*Refer note 6.9 of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

The Company has not revalued any of its property, plant and equipment during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

18 LEASES

A] This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in the balance sheet

The Balance sheet shows the following amounts relating to leases

Right-of-use assets

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Office Premises		
Opening Balance	**308.51**	**334.29**
Additions	100.33	62.80
Depreciation charge for the year	(88.86)	(87.73)
Deletions	(17.46)	(0.85)
Net Carrying Amount	**302.52**	**308.51**

The Company has not revalued any of its Right-of-use assets during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

Lease liabilities

Maturity analysis of lease liabilities

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Less than 1 year	74.92	74.29
1 to 2 years	66.53	68.40
2 to 3 years	54.11	57.31
3 to 4 years	38.36	46.24
4 to 5 years	31.94	28.32
More than 5 years	83.57	74.93
Total	**349.43**	**349.49**

The Company has taken various office premises under lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
(ii)	**Amounts recognised in the Statement of Profit and Loss**		
	Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	88.86	87.73
	Interest expense (included in finance costs)	31.97	32.06
	Expense relating to short-term leases (included in other expenses)	3.24	9.24
	Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	1.80	2.13
	Expense relating to variable lease payments not included in lease liabilities (included in other expenses)	-	-
	The Company had remeasured lease liability in respect of certain leases during the year and income on such remeasurement of leases as per Ind AS 116 is included in other income	3.16	2.66
	Income from subleasing right-of-use assets (included in other income)	7.27	7.94
(iii)	**Gains or losses arising from sale and leaseback transactions**	-	-
(iv)	**The total cash outflow for leases during the year**	**109.13**	**96.16**

18 LEASES (Contd.)

The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

B] This note provides information for leases where the Company is a lessor.

The Company had given office premises under lease. The income from lease recognised in the Statement of Profit and Loss are Rs. 0.17 crores (March 31, 2021: Rs. 0.21 crores). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

Future minimum lease receivables under non-cancellable leases as at March 31, 2022 are as follows:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Within one year	0.17	0.17
After one year but not more than five years	0.08	0.25
More than five years	-	-
Total	**0.25**	**0.42**

(Rs. in crores)

Particulars	Computer software
19 OTHER INTANGIBLE ASSETS #	
Gross block*	
As at April 01, 2020	**4.02**
Additions	1.06
Disposals	-
As at March 31, 2021	**5.08**
Additions	2.22
Disposals	0.03
As at March 31, 2022	**7.27**
Accumulated amortisation and impairment losses	
As at April 01, 2020	**1.35**
Charge for the year	1.34
Disposals	0.00
As at March 31, 2021	**2.69**
Charge for the year	1.57
Disposals	0.03
As at March 31, 2022	**4.23**
Net carrying amount as at March 31, 2021	**2.39**
Net carrying amount as at March 31, 2022	**3.04**

Other than internally generated

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

*Refer note 6.9 of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

The Company has not revalued any of its intangible assets during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
20 OTHER NON-FINANCIAL ASSETS		
Goods and services tax credit (input) receivable	198.82	183.44
Prepaid expenses	9.32	7.80
Capital advances	3.05	1.00
Duties paid under protest	96.40	96.40
Other non-financial assets	2.45	4.68
Total	**310.04**	**293.32**

21 PAYABLES

(I) Trade payables

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	0.02	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises *	166.01	152.52
Total	**166.03**	**152.52**

*Includes payable to associate Rs. 0.91 crores (March 31, 2021: Rs. 1.27 crores).

Trade Payables ageing

As at March 31, 2022

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	0.02	-	-	-	**0.02**
(ii) Others	108.81	-	50.63	4.25	1.10	1.22	**166.01**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**108.81**	**-**	**50.65**	**4.25**	**1.10**	**1.22**	**166.03**

As at March 31, 2021

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	136.07	-	11.46	3.60	1.07	0.32	**152.52**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**136.07**	**-**	**11.46**	**3.60**	**1.07**	**0.32**	**152.52**

(II) Other payables

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	1.46	0.37
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.21	0.54
Total	**2.67**	**0.91**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
22 DEBT SECURITIES		
At amortised cost		
Secured		
Redeemable non-convertible debentures		
- Public issue ¥	2,500.63	5,776.24
- Privately placed ¥¥	18,768.05	15,153.29
External commercial bond	19,011.29	17,779.55
Senior secured notes	891.40	888.35
Unsecured		
Redeemable non-convertible debentures		
- Privately placed	85.18	464.44
Total	**41,256.55**	**40,061.87**
Debt securities in India	21,353.86	21,393.97
Debt securities outside India	19,902.69	18,667.90
Total	**41,256.55**	**40,061.87**

There are no debt securities measured at FVTPL or designated at FVTPL.

¥ includes Rs. 29.40 crores (March 31, 2021 Rs. 69.20 crores) issued to related parties including Directors.

¥¥ includes Rs. 27.96 crores (March 31, 2021 Rs. 10.01 crores) issued to related parties.

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
23 BORROWINGS (OTHER THAN DEBT SECURITIES)		
At amortised cost		
Secured		
Term loan from banks - INR	16,755.62	13,304.70
Term loan from financial institutions/corporates - INR	5,685.24	3,783.20
External commercial borrowing - FCNR	4,243.13	4,122.49
Loans repayable on demand from banks (Cash credit from banks)	454.86	667.38
Other loans - INR -Securitisation liabilities	19,538.08	23,403.60
Total	**46,676.93**	**45,281.37**
Borrowings in India	42,433.80	41,158.88
Borrowings outside India	4,243.13	4,122.49
Total	**46,676.93**	**45,281.37**

There are no borrowings measured at FVTPL or designated at FVTPL.

The borrowings have not been guaranteed by directors or others. The Company has not defaulted in repayment of principal and interest to its lenders.

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
24 DEPOSITS		
At amortised cost		
Unsecured		
(i) Public deposits (refer note 65) *	20,190.08	15,790.71
(ii) From Banks	-	-
(iii) From Others		
- Deposits from corporates **	1,729.76	392.11
- Inter-corporate deposits ***	29.14	49.59
Total	**21,948.98**	**16,232.41**

There are no deposits measured at FVTPL or designated at FVTPL.

* includes Rs. 3.01 crores (March 31, 2021 Rs. 1.89 crores) accepted from related parties including Director.

** includes Rs. 118.94 crores (March 31, 2021 Rs. 34.34 crores) accepted from related parties.

*** includes Rs. 27.45 crores (March 31, 2021 Rs. 49.59 crores) accepted from associate.

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
25 SUBORDINATED LIABILITIES		
At amortised cost		
Others		
Unsecured		
Subordinated debts - Debentures #	4,614.25	4,620.76
Total	**4,614.25**	**4,620.76**
Subordinated debts in India	4,614.25	4,620.76
Subordinated debts outside India	-	-
Total	**4,614.25**	**4,620.76**

There are no subordinated liabilities measured at FVTPL or designated at FVTPL.

includes Rs. 516.07 crores (March 31, 2021 Rs. 495.36 crores) issued to related parties.

I DEBT SECURITIES

A) Redeemable non-convertible debenture (NCD) -secured

i) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2014)

Terms of repayment as on March 31, 2022

Outstanding as on March 31, 2022: Nil

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12 months	-	240.22	-	**240.22**
Total	-	**240.22**	-	**240.22**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 1,974.85 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

I DEBT SECURITIES (Contd.)

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

As per the terms of the issue Rs. 199.37 crores were redeemed on July 15, 2021.

As per the terms of the issue Rs. 427.15 crores were redeemed on July 15, 2019.

As per the terms of the issue Rs. 1,348.33 crores were redeemed on July 15, 2017.

ii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 1)

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	497.98	-	-	**497.98**
12-24 months	850.87	-	-	**850.87**
Total	**1,348.85**	**-**	**-**	**1,348.85**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	497.03	-	-	**497.03**
24-36 months	837.55	-	-	**837.55**
upto 12 months	2,447.63	-	-	**2,447.63**
Total	**3,782.21**	**-**	**-**	**3,782.21**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 3,648.52 crores raised from public issue (net off expenses) towards repayment of borrowings as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 2,285.45 crores were redeemed on July 12, 2021.

As per the terms of the issue Rs. 107.40 crores were redeemed on December 26, 2019.

iii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 2)

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.82	-	-	**71.82**
12-24 months	269.30	-	-	**269.30**
Total	**341.12**	**-**	**-**	**341.12**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.67	-	-	**71.67**
24-36 months	263.13	-	-	**263.13**
upto 12 months	-	310.11	-	**310.11**
Total	**334.80**	**310.11**	**-**	**644.91**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

I DEBT SECURITIES (Contd.)

The Company had utilised the entire sum of Rs. 606.79 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 107.40 crores were redeemed on November 2, 2021.

iv) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 3)

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	60.13	-	-	**60.13**
12-24 months	243.38	-	-	**243.38**
Total	**303.51**	**-**	**-**	**303.51**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.99	-	-	**59.99**
24-36 months	237.50	-	-	**237.50**
upto 12 months	-	262.55	-	**262.55**
Total	**297.49**	**262.55**	**-**	**560.04**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 537.32 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 247.04 crores were redeemed on February 6, 2022.

v) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 1)

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
48-60 Months	20.65	45.16	-	**65.81**
24-36 months	33.87	71.47	-	**105.34**
upto 12 months	41.91	94.28	-	**136.19**
Total	**96.43**	**210.91**	**-**	**307.34**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	20.57	43.38	-	**63.95**
36-48 months	33.67	69.12	-	**102.79**
12-24 months	41.56	90.45	-	**132.01**
upto 12 months	-	55.59	-	**55.59**
Total	**95.80**	**258.54**	**-**	**354.34**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

I DEBT SECURITIES (Contd.)

The Company has utilised the entire sum of Rs. 339.94 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 53.11 crores were redeemed on February 22, 2022.

vi) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 2)

Terms of repayment as on March 31, 2022

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
48-60 months	26.44	-	-	**26.44**
24-36 months	68.61	-	-	**68.61**
upto 12 months	79.87	24.89	-	**104.76**
Total	**174.92**	**24.89**	**-**	**199.81**

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	26.31	-	-	**26.31**
36-48 months	66.64	-	-	**66.64**
12-24 months	78.97	22.60	-	**101.57**
Total	**171.92**	**22.60**	**-**	**194.52**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 193.67 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

vii) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2022

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10% ^ $	>= 10% < 12% ^ #	>= 12% < 14%	>=14% <16%	
over 60 months	6,374.70	-	-	-	**6,374.70**
48-60 months	338.75	-	-	-	**338.75**
36-48 months	352.54	-	-	-	**352.54**
24-36 months ^	461.91	1,301.21	-	-	**1,763.12**
12-24 months^ # $	4,610.29	304.39	-	-	**4,914.68**
upto 12 months ^ $	3,637.44	1,179.96	154.56	52.30	**5,024.26**
Total	**15,775.63**	**2,785.56**	**154.56**	**52.30**	**18,768.05**

^ NCD amounting to Rs. 2,396.30 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

includes 1 NCD of Rs. 250 crores partly paid to the extend of Rs. 116.67 crores.

$ Out of above NCD having put / call option are as under

(Rs. in crores)

Sr No.	Rate of interest	Amount	Put / Call Option Date
1	7.46%	1,000.00	April 29, 2022
2	7.15%	1,585.00	June 17, 2022
Total		**2,585.00**	

I DEBT SECURITIES (Contd.)

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10%^	>= 10% < 12% ^	>= 12% < 14%	>=14% <16%	
over 60 months	3,613.48	-	-	-	**3,613.48**
48-60 months	302.37	-	-	-	**302.37**
36-48 months	154.79	1,299.99	-	-	**1,454.78**
24-36 months ^	863.19	172.21	-	-	**1,035.40**
12-24 months^	1,970.82	1,086.19	151.27	45.73	**3,254.01**
upto 12 months ^	4,627.44	865.81	-	-	**5,493.25**
Total	**11,532.09**	**3,424.20**	**151.27**	**45.73**	**15,153.29**

^ NCD amounting to Rs. 2,692.60 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

Nature of security

Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

(Rs. in crores)

Total non-convertible debentures- secured	As at March 31, 2022	As at March 31, 2021
Public issue (i+ii+iii+iv+v+vi)	2,500.63	5,776.24
Privately placed (vii)	18,768.05	15,153.29
Total non-convertible debentures- secured	**21,268.68**	**20,929.53**

B) External commercial bond (ED) Secured

Privately Placed Redeemable External commercial bond of Rs. 100,000/- each

Terms of repayment as on March 31, 2022

(Rs. in crores)

Detail	Rate of Interest		Total
	< 10%	>= 10% < 12%	
36-48 months	3,622.91	-	**3,622.91**
12-24 months	9,564.27	-	**9,564.27**
upto 12 months	5,824.11	-	**5,824.11**
Total	**19,011.29**	**-**	**19,011.29**

Terms of repayment as on March 31, 2021

(Rs. in crores)

Detail	Rate of Interest		Total
	< 10%	>= 10% < 12%	
24-36 months	9,182.92	-	**9,182.92**
12-24 months	5,638.17	-	**5,638.17**
upto 12 months	-	2,958.46	**2,958.46**
Total	**14,821.09**	**2,958.46**	**17,779.55**

On January 18, 2022, the Company issued and allotted USD 475,000,000 4.15% senior secured notes due 2025 in offshore market (Social Bonds) for sum of Rs.3,512.86 crores under USD 3.5 Billion Global Medium Term Note Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX- ST) on January 19, 2022. The proceeds of the issue of the Social Bonds are being utilised as per the Company's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations.

On March 31, 2021, the Company issued and allotted USD 225,000,000 4.40% senior secured notes due 2024 in offshore market (Social Bonds) for sum of Rs.1,630.35 crores to be consolidated and form a single series with the U.S.$500,000,000 4.40 per cent Senior Secured Notes due 2024 issued on January 13, 2021 under USD 3 Billion Global Medium Term Note Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX- ST) on April 01, 2021. The proceeds of the issue of the Social Bonds are being utilised as per the Company's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations.

I DEBT SECURITIES (Contd.)

On January 13, 2021, the Company issued and allotted USD 500,000,000 4.40% Senior Secured Notes due 2024 in offshore market (Social Bonds) for sum of USD 499,950,000 equivalent to Rs. 3,672.50 crores under USD 3 Billion GMTN Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX-ST) on January 14, 2021. The proceeds of the issue of the Social Bonds are being utilised as per the Company's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction – External Commercial Borrowings, Trade Credits, and Structured Obligations.

During the year ended March 31, 2020, the Company issued and allotted USD 250,000,000 5.3750% senior secured notes due 2022 in offshore market (notes) equivalent to Rs. 1,714.38 crores under USD 2,000,000,000 Global Medium Term Note Programme. The said notes are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the notes have been utilised for the purpose of onward lending and other activities as may be permitted by the ECB Directions.

During the year ended March 31, 2020, the Company issued and allotted USD 500,000,000 5.100% senior secured notes due 2023 in offshore market (Social Bonds) equivalent to Rs. 3,541.75 crores under USD 3,000,000,000 Global Medium Term Note Programme. The said Social Bonds are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the Social Bonds have been utilised for the purpose of onward lending and other activities as per the Company's Social Finance Framework and as may be permitted by the ECB Directions.

During the year ended March 31, 2019, the Company issued and allotted senior secured notes in offshore market (notes) aggregating to INR 2,849.90 crores consisting of 5.70% notes due 2022 under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue have been utilised for the purpose of onward disbursements.

As per the terms of the issue, Rs. 2,849.90 crores were redeemed on February 28, 2022.

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

C) Senior secured notes

Senior secured notes of Rs. 10,000,000/- each

Terms of repayment (Rs. in crores)

Detail	Rate of interest	As at March 31, 2022	As at March 31, 2021
36-48 months	<10%	-	-
24-36 months	<10%	-	888.35
12-24 months	<10%	891.40	-
upto 12 months	<10%	-	-
Total		**891.40**	**888.35**

During the year ended March 31, 2018, the Company had issued senior secured notes in offshore market (notes) aggregating to INR 1,160 crores consisting of INR 840 crores 8.10% notes due 2023 and INR 320 crores 7.90% notes due 2021 payable in US dollars under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST).

The Company had utilised the entire sum of Rs. 1,160.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

During the year ended March 31, 2017, the Company had issued Rs. 1,350.00 crores 8.25 % senior secured notes at the price of 100.18% that are due for repayment on February 18, 2020. The said notes (with ISIN - XS 1549374475) are listed and traded on the Singapore Exchange (SGX-ST) with a minimum board lot size of S $200,000.

The Company had utilised the entire sum of Rs. 1,350.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

As per the terms of the issue, Rs. 1,350.00 crores were redeemed on February 18, 2020.

As per the terms of the issue, Rs. 320.00 crores were redeemed on March 12, 2021.

I DEBT SECURITIES (Contd.)

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

D) Redeemable non-convertible debenture (NCD) -unsecured

i) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
24-36 months	-	-	85.18	**85.18**
Total	**-**	**-**	**85.18**	**85.18**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
36-48 months	-	-	464.44	**464.44**
Total	**-**	**-**	**464.44**	**464.44**

II BORROWINGS (OTHER THAN DEBT SECURITIES)

A) Term loans from banks -secured (INR)

As at March 31, 2022

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	7.45% to 8.90%	20 to 60 instalments of monthly and quarterly frequency	3,318.09
36-48 months	5.50% to 8.56%	14 to 60 instalments of monthly and quarterly frequency	2,874.22
24-36 months	5.70% to 9.56%	1 to 48 instalments of bullet, monthly, quarterly and half-yearly frequency	3,539.61
12-24 months	6.61% to 10.14%	1 to 36 instalments of bullet, monthly and quarterly frequency	1,603.16
upto 12 months	5.60% to 10.34%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	5,420.54
Total			**16,755.62**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

As at March 31, 2021

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	7.73% to 8.71%	20 to 60 instalments of monthly and quarterly frequency	1,345.25
36-48 months	8.15% to 10.98%	20 to 48 instalments of monthly, quarterly and specific frequency	2,809.75
24-36 months	7.00% to 10.10%	1 to 36 instalments of bullet and quarterly frequency	2,150.23
12-24 months	7.30% to 10.07%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	1,536.39
upto 12 months	6.65% to 10.01%	1 to 20 instalments of bullet, quarterly and specific frequency	5,463.08
Total			**13,304.70**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

B) Term loans from financial institutions/corporates -secured (INR)

As at March 31, 2022

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	7.34% to 8.95%	19 to 20 instalments of quarterly frequency	1,227.32
36-48 months	8.23% to 9.00%	1 to 20 instalments of bullet and quarterly frequency	1,898.70
24-36 months	7.25% to 10.20%	11 instalments of quarterly, half-yearly and specific frequency	2,229.80
12-24 months	9.70% to 10.50%	11 to 12 instalments of quarterly, half-yearly and specific frequency	197.15
upto 12 months	7.44% to 9.07%	11 to 20 instalments of quarterly, half-yearly and specific frequency	132.27
Total			**5,685.24**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

As at March 31, 2021

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.95%	20 instalments of quarterly frequency	389.57
48-60 months	8.23% to 9.00%	20 instalments of quarterly frequency	2,385.43
36-48 months	10.20%	11 instalments of specific frequency	130.11
24-36 months	9.70% to 10.50%	11 to 12 instalments of quarterly and specific frequency	404.35
12-24 months	7.02% to 9.01%	11 to 20 instalments of quarterly and specific frequency	343.41
upto 12 months	6.21% to 6.31%	1 to 9 instalments of bullet and monthly frequency	130.33
Total			**3,783.20**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

C) External commercial borrowing

As at March 31, 2022

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
Over 60 months	4.59%	11 instalments of half-yearly frequency	531.25
48-60 Months	8.63% to 10.86%	11 to 13 instalments of half-yearly and specific frequency	873.29
24-36 months	8.12%	Bullet frequency	191.59
12-24 months	9.83% to 10.02%	Bullet frequency	2,647.00
Total			**4,243.13**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2021

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	4.59% to 10.87%	11 to 13 instalments of half-yearly and specific frequency	1,566.94
24-36 months	9.83% to 10.02%	Bullet frequency	2,555.55
Total			**4,122.49**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

D) Loans repayable on demand from banks (Cash credit from banks)

As at March 31, 2022

Terms of repayment (Rs. in crores)

Particulars	Rate of interest	Amount
Secured by hypothecation of specific assets covered under hypothecation loan agreements	7.30% to 10.45%	454.86
Total		**454.86**

As at March 31, 2021

Terms of repayment (Rs. in crores)

Particulars	Rate of interest	Amount
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.20% to 11.70%	667.38
Total		**667.38**

E) Other loans - INR -Securitisation liabilities

As at March 31, 2022

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	5.90% to 9.00%	1 to 86 instalments monthly frequency	11,209.94
36-48 months	5.50% to 9.00%	1 to 67 instalments monthly frequency	3,565.64
24-36 months	6.31% to 9.40%	1 to 65 instalments monthly frequency	1,166.14
12-24 months	8.00% to 9.70%	1 to 61 instalments monthly frequency	3,092.50
upto 12 months	6.97% to 10.20%	1 to 61 instalments monthly frequency	503.86
Total			**19,538.08**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2021

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.93% to 9.98%	1 to 88 instalments monthly frequency	3,297.86
48-60 months	8.38% to 11.15%	1 to 69 instalments monthly frequency	8,056.62
36-48 months	7.99% to 11.00%	1 to 63 instalments monthly frequency	7,347.62
24-36 months	8.31% to 10.53%	1 to 61 instalments monthly frequency	3,482.40
12-24 months	6.90% to 8.84%	1 to 60 instalments monthly frequency	1,219.10
Total			**23,403.60**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

III DEPOSITS

A) Deposits from public - unsecured -[refer note 65]

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	2,446.18	-	**2,446.18**
36-48 months	2,030.40	-	**2,030.40**
24-36 months	5,523.97	-	**5,523.97**
12-24 months	4,631.55	-	**4,631.55**
upto 12 months	5,557.98	-	**5,557.98**
Total	**20,190.08**	**-**	**20,190.08**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,906.84	-	**1,906.84**
36-48 months	1,122.74	-	**1,122.74**
24-36 months	3,967.54	-	**3,967.54**
12-24 months	3,595.91	-	**3,595.91**
upto 12 months	5,197.68	-	**5,197.68**
Total	**15,790.71**	**-**	**15,790.71**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Deposits from public	20,190.08	15,790.71

B) Deposits from corporates - unsecured

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	30.21	-	**30.21**
36-48 months	13.24	-	**13.24**
24-36 months	367.23	-	**367.23**
12-24 months	150.65	-	**150.65**
upto 12 months	1,168.43	-	**1,168.43**
Total	**1,729.76**	**-**	**1,729.76**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	13.33	-	**13.33**
36-48 months	4.73	-	**4.73**
24-36 months	87.95	-	**87.95**
12-24 months	38.44	-	**38.44**
upto 12 months	247.66	-	**247.66**
Total	**392.11**	**-**	**392.11**

C) Inter-corporate deposits

Terms of repayment as on March 31, 2022 (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total
upto 12 months	4.50% to 7.00%	Bullet repayment	29.14
Total			**29.14**

III DEPOSITS (Contd.)

Terms of repayment as on March 31, 2021 (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total
upto 12 months	7.50%	Bullet repayment	49.59
Total			**49.59**

IV SUBORDINATED LIABILITIES

A) Subordinated liabilities -unsecured - Debentures

Privately placed subordinated liabilities of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,395.11	78.94	-	**1,474.05**
48-60 months	137.64	-	-	**137.64**
36-48 months	39.87	56.94	-	**96.81**
24-36 months	41.04	541.92	1,680.52	**2,263.48**
12-24 months	-	332.92	-	**332.92**
upto 12 months	-	309.35	-	**309.35**
Total	**1,613.66**	**1,320.07**	**1,680.52**	**4,614.25**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,531.88	78.89	-	**1,610.77**
48-60 months	39.82	56.79	-	**96.61**
36-48 months	41.00	536.25	1,642.51	**2,219.76**
24-36 months	-	332.62	-	**332.62**
12-24 months	-	309.06	-	**309.06**
upto 12 months	-	-	51.94	**51.94**
Total	**1,612.70**	**1,313.61**	**1,694.45**	**4,620.76**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
26 OTHER FINANCIAL LIABILITIES		
Investor education and protection fund shall be credited by the following amounts (as and when due)		
- Unclaimed dividend	9.72	9.81
- Unclaimed matured deposits and interest accrued thereon	111.07	106.74
- Unclaimed matured debentures and interest accrued thereon	13.09	15.62
- Unclaimed matured subordinated debts and interest accrued thereon	9.08	36.43
Temporary credit balance in bank accounts	30.12	57.27
Payable on account of assignment	132.00	178.07
Payable to dealers	0.86	2.63
Payable to employees	132.59	134.51
Retention money and other sundry liabilities	303.48	342.15
Interim dividend payable	-	151.84
Other liabilities *	117.63	114.75
Total	**859.64**	**1,149.82**

* Other liabilities include amount payable to Banks for credit card payments, settlement dues payable to resigned employees, etc.

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
27 CURRENT TAX LIABILITIES (NET)		
For taxation [net of advance tax Rs. 692.91 crores (March 31, 2021: Rs. 3.10 crores)]	36.82	102.02
Total	**36.82**	**102.02**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
28 PROVISIONS		
For employee benefits		
- Gratuity (refer note 46)	2.24	2.07
- Compensated absences (leave encashment and availment)	38.31	37.02
For others		
- Expected credit loss towards undrawn loan commitment	6.70	10.70
- Taxes- contested	90.93	92.75
Total	**138.18**	**142.54**

Loan commitments

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53.02.02.07.

(Rs. in crores)

	As at March 31, 2022	As at March 31, 2021
Particulars	**Stage 1 Collective**	**Stage 1 Collective**
Internal rating grade		
Performing		
High grade	92.43	148.66
Total	**92.43**	**148.66**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

(Rs. in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Particulars	**Stage 1**	**Stage 1**
Opening balance of outstanding exposure	148.66	311.87
New exposures	69.95	88.39
Exposures cancelled or disbursed (excluding write-offs)	(126.18)	(251.60)
Closing balance of outstanding exposure	**92.43**	**148.66**

28 PROVISIONS (Contd.)

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	General approach	General approach
	Stage 1	Stage 1
ECL allowance - opening balance	10.70	16.15
New exposures	4.21	5.13
Exposures cancelled or disbursed (excluding write-offs)	(8.21)	(10.58)
ECL allowance - closing balance	**6.70**	**10.70**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
29 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues payable	101.16	85.45
Advance from customers	23.26	13.81
Total	**124.42**	**99.26**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
30 EQUITY SHARE CAPITAL		
Authorised:		
647,000,000 (March 31, 2021: 647,000,000) equity shares of Rs.10/- each	647.00	647.00
95,000,000 (March 31, 2021: 95,000,000) preference shares of Rs.100/- each	950.00	950.00
	1,597.00	**1,597.00**
Issued share capital		
270,519,713 (March 31, 2021: 253,067,654) equity shares of Rs. 10/- each *	270.52	253.07
Subscribed share capital		
270,519,713 (March 31, 2021: 253,061,513) equity shares of Rs. 10/- each	270.52	253.06
Paid up (fully paid up)		
Equity shares		
270,519,713 (March 31, 2021: 253,061,513) equity shares of Rs. 10/- each fully paid up	270.52	253.06
Total Equity	**270.52**	**253.06**

* Pursuant to the ordinary resolution passed by the shareholders of the Company on March 6, 2022 through postal ballot, 6,141 equity shares of face value of Rs. 10/- each not taken/agreed to be taken by any person in the Rights Issue of the Company made in the year 1995 were cancelled from the Issued Share Capital of the Company.

30 EQUITY SHARE CAPITAL (Contd.)

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2020	**226,882,736**	**226.88**
Issued during the year #	26,178,777	26.18
As at March 31, 2021	**253,061,513**	**253.06**
Issued during the year ##	17,458,200	17.46
As at March 31, 2022	**270,519,713**	**270.52**

On August 06, 2020, the Company allotted fully paid-up 26,178,777 Equity Shares of face value of Rs. 10/- each to the eligible equity shareholders at an issue price of Rs. 570/- per Equity Share (including premium of Rs. 560/- per Equity Share) in the Rights Issue, which opened on July 16, 2020 and closed on July 30, 2020. The entire proceeds of the Rights Issue have been utilised as per the objects stated in the offer document for the Rights issue. The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by Rs. 26.18 crores and securities premium reserve by Rs. 1,446.46 crores (net of share issue expenses of Rs. 19.55 crores).

On June 12, 2021, the Company allotted 13,986,000 Equity Shares of face value Rs. 10/- each to eligible qualified institutional buyers at the issue price of Rs. 1,430/- per Equity Share (including a premium of Rs. 1,420/- per Equity Share) at a discount of Rs. 3.32 per Equity Share i.e. 0.23% of the floor price of Rs. 1,433.32 per Equity Share, aggregating to Rs. 19,999,980,000/- by way of qualified institutions placement (QIP Issue). The QIP Issue opened on June 7, 2021 and closed on June 11, 2021. The entire proceeds have been utilised for the objects of the QIP Issue. Pursuant to the allotment of Equity Shares in the QIP Issue, the paid - up equity share capital of the Company stood increased from Rs. 2,530,615,130/- to Rs. 2,670,475,130/- on June 12, 2021 comprising of 267,047,513 fully paid-up equity shares of face value of Rs.10/- each and securities premium reserve by Rs. 1,964.78 crores (net of share issue expenses of Rs. 21.23 crores).

On July 8, 2021, the Company allotted (i) 1,736,100 Equity Shares of the Company, fully paid-up, at a price of Rs. 1,440/- per Equity Share including a premium of Rs. 1,430/- per Equity Share, aggregating up to Rs. 2,499,984,000/- and (ii) 1,736,100 Warrants convertible into 1,736,100 Equity Shares at a price (including the warrant subscription price and the warrant exercise price) of Rs. 1,440/- each, aggregating up to Rs. 2,499,984,000/- on a preferential basis to Shriram Capital Limited, Promoter of the Company (Preferential Issue). The Company received the subscription money of Rs. 624,996,000/- for allotment of 1,736,100 Warrants convertible into Equity Shares, being 25% of the Issue price of Rs. 1,440/- of the Warrants at Rs. 360/- per Warrant, towards the warrant subscription price. The entire proceeds have been utilised for the objects of the Preferential Issue. Pursuant to allotment of the Equity Shares in the Preferential Issue, the paid-up share capital of the Company stood increased on July 8, 2021 from Rs. 2,670,475,130/- to Rs. 2,687,836,130/- comprising of 268,783,613 equity shares of face value of Rs.10/- each and securities premium reserve by Rs. 248.06 crores.

On November 25, 2021, the Company allotted 1,736,100 Equity Shares of face value of Rs. 10/- each fully paid up issued at a premium of Rs. 1,430/- per equity share to Shriram Capital Limited, Promoter of the Company upon exercise of option of conversion of 1,736,100 Warrants by Shriram Capital Limited. The Issue Price of the Warrant was Rs. 1,440/- per warrant of which 25% was paid by Shriram Capital Limited on subscription of 1,736,100 warrants on July 08, 2021 and the balance 75% i.e. Rs. 1,080/- per warrant being the Warrant Exercise Price was paid by Shriram Capital Limited. The entire proceeds have been utilised for the objects of the Preferential Issue. Pursuant to allotment of the Equity Shares in the Preferential Issue, the paid-up share capital of the Company stood increased on November 25, 2021 from Rs. 2,687,836,130/- to Rs. 2,705,197,130/- comprising of 270,519,713 equity shares of face value of Rs. 10/- each and securities premium reserve by Rs. 248.26 crores.

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

The Board of Directors in their meeting held on March 05, 2022 declared second interim equity dividend of 120% (Rs. 12/- per equity share of nominal face value of Rs. 10/- each fully paid up) for the financial year 2021-22, amounting to Rs. 3,246,236,556/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim equity dividend was March 14, 2022. The second interim dividend was paid to eligible shareholders on March 24, 2022. The Board of Directors in its meeting held on April 28, 2022 have not recommended final dividend. As such the interim dividend aggregating to Rs.20/-per share (i.e. 200 %) shall be the final dividend for the financial year 2021-22.

30 EQUITY SHARE CAPITAL (Contd.)

The Board of Directors in their meeting held on October 29, 2021 declared interim equity dividend of 80% (Rs. 8/- per equity share of nominal face value of Rs. 10/- each fully paid up) for the financial year 2021-22, amounting to Rs. 2,150,268,904 (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of interim equity dividend was November 10, 2021. The interim dividend was paid to eligible shareholders on November 24, 2021.

Pursuant to the final equity dividend for the financial year 2020-21 approved by the shareholders at the 42nd Annual General Meeting held on June 24, 2021, the Company paid the final equity dividend of 60% (Rs. 6/- per equity share of nominal face value of Rs. 10/- each fully paid up) aggregating to Rs. 1,602,285,078/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of final equity dividend was June 17, 2021 and the payment was made on July 07, 2021. With this the total dividend for the financial year 2020-21 was Rs. 18 /- per share (i.e. 180 %).

The Board of Directors in their meeting held on March 25, 2021 declared second interim equity dividend of 60% (Rs. 6/- per equity share of nominal face value of Rs. 10/- each fully paid up) for the financial year 2020-21, amounting to Rs. 1,518,369,078/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim dividend was April 06, 2021 and the payment was done on April 16, 2021.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Nil

d. Details of shareholders holding more than 5% equity shares in the Company

Details of shareholding	As at March 31, 2022		As at March 31, 2021	
Name of the shareholder	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10/- each				
Shriram Capital Limited	70,437,147	26.04%	66,964,947	26.46%
Life Insurance Corporation of India	18,004,597	6.66%	**	**

** holding less than 5% equity shares

e. Refer note 51- Capital management for the Company's objectives, policies and processes for managing capital

f. Proposed dividends on equity shares:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Proposed dividend on equity shares for the year ended on March 31, 2022: Rs. Nil per share (March 31, 2021: Rs. 6.00 per share)	-	151.84
Total	-	**151.84**

g. Shareholding of Promoters

Year ended	Shares held by promoters at the end of the year			% Change during the year
	Promoter name	No. of Shares	% of Total Shares	
As at March 31, 2022	Shriram Capital Limited	70,437,147	26.04%	-1.59%
As at March 31, 2021	Shriram Capital Limited	66,964,947	26.46%	0.88%

30 EQUITY SHARE CAPITAL (Contd.)

h. Amount of per share dividend recognised as distribution to equity shareholders:-

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interim dividend for the year ended March 31, 2021 (Rs. per share)	-	12.00
Final dividend for the year ended March 31, 2021 (Rs. per share)	6.00	-
Interim dividend for the year ended March 31, 2022 (Rs. per share)	20.00	-
Final dividend for the year ended March 31, 2022 (Rs. per share)	-	-

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
31 OTHER EQUITY		
Share application money pending allotment	-	-
Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
Opening balance	**4,166.39**	**3,668.93**
Add: Transfer from retained earnings	541.59	497.46
Closing balance	**4,707.98**	**4,166.39**
Securities premium		
Opening balance	**3,201.27**	**1,754.81**
Add: Premium on shares issued during the year	2,482.54	1,466.01
Less: Share issue expenses incurred during the year	(21.43)	(19.55)
Closing balance	**5,662.38**	**3,201.27**
Capital reserve	**27.64**	**27.64**
Capital redemption reserve	**53.88**	**53.88**
Debenture redemption reserve		
Opening Balance	**921.41**	**610.41**
Add: Transfer from retained earnings	170.31	337.87
Less: Transfer to retained earnings on account of redemption	(784.44)	(26.87)
Closing balance	**307.28**	**921.41**
General reserve		
Opening balance	**2,663.27**	**2,414.54**
Add: Transfer from retained earnings	270.80	248.73
Closing balance	**2,934.07**	**2,663.27**
Convertible Warrants		
Money received during the year	250.00	-
Shares allotted during the year	(250.00)	-
Closing balance	-	-
Remeasurement gain/(loss) on defined benefit plan (net of tax)		
Opening balance	**(9.66)**	**(9.66)**
Add: Addition during the year	(2.42)	-
Closing balance	**(12.08)**	**(9.66)**
Other comprehensive income		
Effective portion of cash flow hedges		
Opening balance	**(93.02)**	-
Add: Addition during the year	(120.38)	(93.02)
Closing balance	**(213.40)**	**(93.02)**

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
31	**OTHER EQUITY (Contd.)**		
	Retained earnings		
	Opening balance	**10,384.13**	**9,257.73**
	Add: Profit for the current year	2,707.93	2,487.26
	Add /(Less): Appropriations		
	Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(541.59)	(497.46)
	Transfer to general reserve	(270.80)	(248.73)
	Transfer (to)/from debenture redemption reserve	614.13	(311.00)
	Interim dividend [March 31, 2022: Rs. 20.00 per share (March 31, 2021: Rs. 12.00 per share)]	(539.65)	(303.67)
	Final dividend (March 31, 2021: Rs. 6.00 per share)	(160.23)	-
	Total appropriations	**(898.14)**	**(1,360.86)**
	Retained earnings	**12,193.92**	**10,384.13**
	Total	**25,661.67**	**21,315.31**

Nature and purpose of reserves

Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

Capital redemption reserve: The Company has recognised Capital redemption reserve on redemption of non-convertible redeemable preference shares from its retained earnings. The amount in Capital redemption reserve is equal to nominal amount of the non-convertible redeemable preference shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve.

Debenture redemption reserve:

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture redemption reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the Balance sheet date.

(2) As per the notification G.S.R. 574(E) dated August 16, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR need not be created for debentures issued by a Non-Banking Finance Company subsequent to the notification date. The Company has not created DRR on public issue of non-convertible debentures issued after the date of said notification.

(3) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 170.31 crores (March 31, 2021: Rs. 337.87 crores). The Company subsequent to the year end has deposited a sum of Rs. 37.00 crores (March 31, 2021: Rs. 498.41 crores) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

(4) On redemption of the debentures for which the DRR is created, the amounts no longer necessary to be retained in this account need to be transferred to the Retained earnings.

General reserve: Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory reserve: Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as

31 OTHER EQUITY (Contd.)

disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Remeasurement gain/(loss) on defined benefit plan: Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Other comprehensive income: Other comprehensive income includes effective portion of cash flow hedges.
Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to the statement of profit and loss only when the hedged transaction affects the statement of profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

(Rs. in crores)

Particulars	For the year ended March 31, 2022			Year ended March 31, 2021		
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
32 INTEREST INCOME						
Interest on loans	18,028.13	-	**18,028.13**	16,611.31	-	**16,611.31**
Interest income from investments	275.11	40.85	**315.96**	264.82	3.75	**268.57**
Interest on deposits with banks						
- Margin money deposit	155.53	-	**155.53**	137.34	-	**137.34**
- Deposits with banks	88.14	-	**88.14**	37.22	-	**37.22**
Other interest income						
- Delayed payments by customers	28.79	-	**28.79**	42.40	-	**42.40**
- Unwinding of security deposit	3.17	-	**3.17**	3.07	-	**3.07**
- Direct assignment	26.54	-	**26.54**	28.23	-	**28.23**
Total	**18,605.41**	**40.85**	**18,646.26**	**17,124.39**	**3.75**	**17,128.14**

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
33 FEE AND COMMISSION INCOME		
Income from commission services - life insurance	16.52	20.66
Income from commission services - general insurance	36.15	54.36
Income from loan related and other commission services	47.41	40.84
Total	**100.08**	**115.86**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Type of services or service		
Fee and commission income	100.08	115.86
Total revenue from contract with customers	**100.08**	**115.86**
Geographical markets		
- India	100.08	115.86
- Outside India	-	-
Total revenue from contract with customers	**100.08**	**115.86**
Timing of revenue recognition		
Services transferred at a point in time	100.08	115.86
Services transferred over time	-	-
Total revenue from contracts with customers	**100.08**	**115.86**

Contract balance

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	5.35	8.92
Contract assets	-	-

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
34 NET GAIN/ (LOSS) ON FAIR VALUE CHANGES		
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others:		
- Investment in shares, venture capital fund, mutual funds and certificate of deposits	236.83	22.87
- Direct assignment	(15.13)	(1.07)
Total Net gain/(loss) on fair value changes (C)	**221.70**	**21.80**

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
34 NET GAIN/ (LOSS) ON FAIR VALUE CHANGES (Contd.)		
Fair value changes:		
- Realised	183.34	18.95
- Unrealised	38.36	2.85
Total Net gain/(loss) on fair value changes (D)	**221.70**	**21.80**

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
35 OTHER OPERATING INCOME		
Bad debt recovery	69.22	95.59
Total	**69.22**	**95.59**

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
36 OTHER INCOME		
Interest others	0.15	1.74
Miscellaneous income	18.91	14.21
Total	**19.06**	**15.95**

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
37 FINANCE COSTS		
On Financial liabilities measured at amortised cost		
Interest on deposits	1,710.15	1,169.47
Interest on borrowings (other than debt securities)		
- Loans from banks	1,042.07	1,239.18
- Loans from institutions and others	377.99	153.59
- External commercial borrowings	368.27	381.57
- Interest paid on securitisation	1,766.19	2,161.71
Interest on debt securities		
- Debentures	1,780.59	1,768.36
- Senior secured notes	90.86	102.06
- External commercial bond	2,016.66	1,517.36
- Commercial paper	40.90	3.63
Interest on subordinated liabilities	508.66	525.27
Other interest expense		
- Interest on lease liability	31.97	32.06
Total	**9,734.31**	**9,054.26**

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
38 FEES AND COMMISSION EXPENSES		
Brokerage	44.79	31.34
Professional charges-resource mobilisation	24.14	28.47
Processing charges on loans	4.52	1.85
Professional charges on securitisation	18.29	17.23
Total	**91.74**	**78.89**

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
39 IMPAIRMENT ON FINANCIAL INSTRUMENTS		
On financial instruments measured at amortised cost		
Loans (refer note 63)*	3,865.02	3,128.29
Investments	(2.00)	(4.22)
Others		
- Undrawn commitments	(4.00)	(5.45)
- Other assets	1.84	(0.22)
Total	**3,860.86**	**3,118.40**

* Includes loss on disposal of repossessed vehicles Rs. 492.30 crores for the year ended March 31, 2022 (March 31, 2021: Rs. 557.30 crores).

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

Year ended March 31, 2022

(Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective		
Loans and advances to customers measured at amortised cost	1,228.00	76.37	2,560.65	-	**3,865.02**
Debt instruments measured at amortised cost	(2.00)	-	-	-	**(2.00)**
Others					
- Undrawn commitments	(4.00)	-	-	-	**(4.00)**
- Others assets	-	-	-	1.84	**1.84**
Total impairment loss	**1,222.00**	**76.37**	**2,560.65**	**1.84**	**3,860.86**

Year ended March 31, 2021

(Rs. in crores)

Particulars	General approach			Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective		
Loans and advances to customers measured at amortised cost	1,290.89	538.51	1,298.89	-	**3,128.29**
Debt instruments measured at amortised cost	14.22	(18.44)	-	-	**(4.22)**
Others					
- Undrawn commitments	(5.45)	-	-	-	**(5.45)**
- Others assets	-	-	-	(0.22)	**(0.22)**
Total impairment loss	**1,299.66**	**520.07**	**1,298.89**	**(0.22)**	**3,118.40**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
40	**EMPLOYEE BENEFITS EXPENSES**		
	Salaries, other allowance and bonus	907.11	829.32
	Contribution to provident and other funds	59.60	53.36
	Staff welfare expenses	23.69	16.62
	Gratuity expenses (refer note 46)	6.69	6.95
	Total	**997.09**	**906.25**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
41	**DEPRECIATION, AMORTISATION AND IMPAIRMENT**		
	Depreciation of property, plant and equipment	44.91	48.26
	Depreciation of investment property	0.03	0.03
	Amortisation of intangible assets	1.57	1.34
	Depreciation on Right-of-use assets (refer note 18)	88.86	87.73
	Total	**135.37**	**137.36**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
42	**OTHER EXPENSES**		
	Rent (refer note 18)	3.24	9.24
	Rates and taxes	5.22	5.04
	Energy costs	16.45	15.21
	Repairs and maintenance	60.61	58.81
	Communication costs	34.28	39.97
	Printing and stationery	10.30	11.57
	Advertisement and publicity	7.31	2.01
	Director's fees, allowances and expenses	1.25	0.75
	Auditor fees and expenses (refer note 55, 56 and 57)		
	- As Auditor	0.99	0.93
	- For taxation matters	0.09	0.09
	- For other services (certification)	0.09	0.10
	- For reimbursement of expenses	0.02	-
	Legal and professional charges	111.54	111.27
	Other expenditure:		
	Travelling and conveyance	69.38	95.34
	Business promotion	93.16	59.30
	Outsourcing expenses	63.82	76.47
	Royalty	204.19	188.95
	Insurance	2.03	2.07
	Bank charges	38.51	34.40
	Loss on sale of property, plant and equipment (net)	0.79	0.65
	Service charges	50.35	47.95
	CSR expenses (refer note 61)	69.72	64.96
	Miscellaneous expenses	62.27	38.15
	Total	**905.61**	**863.23**

43 INCOME TAX

The components of income tax expense for the financial years ended March 31, 2022 and March 31, 2021 are:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	1,112.57	1,197.77
Adjustment in respect of current income tax of prior years	(82.32)	138.34
Deferred tax relating to origination and reversal of temporary differences	(188.93)	(545.36)
Total tax charge	**841.32**	**790.75**
Current tax	1,030.25	1,336.11
Deferred tax	(188.93)	(545.36)

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the financial years ended March 31, 2022 and March 31, 2021 is, as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	3,549.25	3,278.01
At India's statutory income tax rate of 25.168% (2021: 25.168%)	893.28	825.01
Adjustment in respect of current income tax of prior years	(82.32)	138.34
Income subject to tax at special rate	-	-
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	17.55	16.35
Adjustment in respect of prior years*	82.32	(138.34)
Others	(69.51)	(50.61)
Income tax expense reported in the statement of profit and loss	**841.32**	**790.75**

The effective income tax rate for is 23.70 % (March 31, 2021: 24.12%).

* Amount for the year ended March 31, 2021 includes adjustment on account of change in tax treatment of an item of deduction claimed in earlier assessment years under Income tax act, 1961 due to changes in facts and circumstances which had resulted in the reassessment of tax estimate as per Ind AS 12.

Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at March 31, 2022	As at March 31, 2022	Year ended March 31, 2022	Year ended March 31, 2022
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	25.23	-	(2.56)	-
Provision for post retirement benefits	10.20	-	0.46	(0.81)
Expenses allowable for tax purposes when paid	36.15	-	1.47	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	4.34	(3.27)	-

43 INCOME TAX (Contd.)

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at March 31, 2022	As at March 31, 2022	Year ended March 31, 2022	Year ended March 31, 2022
Cash flow hedge reserve	71.77	-	-	(40.49)
Impairment allowance on loans and advances	762.27	-	(229.96)	-
Impairment allowance for undrawn commitments	10.75	-	1.51	-
Fair valuation on derecognition of financial instrument	-	47.61	35.82	-
Right-of-use assets	14.04	-	(1.35)	-
Other temporary differences	-	9.08	8.94	-
Total	**930.41**	**61.03**	**(188.94)**	**(41.30)**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at March 31, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	22.67	-	(3.22)	-
Provision for post retirement benefits	9.84	-	(0.42)	-
Expenses allowable for tax purposes when paid	37.60	-	(0.34)	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	7.61	(6.60)	-
Cash flow hedge reserve	31.29	-	-	(31.29)
Impairment allowance on loans and advances	532.32	-	(344.27)	-
Impairment allowance for undrawn commitments	12.26	-	(2.21)	-
Fair valuation of derivative financial instrument	-	11.80	11.80	-
Right-of-use assets	12.69	-	(3.88)	-
Other temporary differences	-	0.12	(196.22)	-
Total	**658.67**	**19.53**	**(545.36)**	**(31.29)**

Amounts recognised in respect of current tax / deferred tax directly in equity:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Amounts recognised in respect of current tax/deferred tax directly in equity	-	-

Tax losses

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Unused tax losses for which no deferred tax asset has been recognised	-	-

44 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net Profit after tax as per Statement of Profit and Loss (Rs. in crores) **(A)**	2,707.93	2,487.26
Weighted average number of equity shares for calculating basic EPS (in crores) **(B)**	26.62	24.63
Weighted average number of equity shares for calculating diluted EPS (in crores) **(C)**	26.62	24.63
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (B)**	101.74	100.97
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (C)**	101.74	100.97

45 INVESTMENT IN ASSOCIATES AND STRUCTURED ENTITIES

Associate of the Company is:

Name of the associate	Country of incorporation	Principal place of business	Principal activities	% equity interest March 31, 2022	% equity interest March 31, 2021
Shriram Automall India Limited (SAMIL)	India	New Delhi	Market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.	44.56%	44.56%

The Company has recognised its investment in associate under equity method and not adjusted to fair value at the end of each reporting period.

The Company's share in the associate is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021*
(a) share in profit or loss from continuing operations.	13.17	11.57
(b) share in post-tax profit or loss from discontinued operations.	-	-
(c) share in other comprehensive income.	(0.02)	0.20
(d) share in total comprehensive income.	13.15	11.77

*The financial statements of the associate for the financial year ended March 31, 2021 are as per unaudited financial statements provided by the management.

46 RETIREMENT BENEFIT PLAN

a) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 50.66 crores (March 31, 2021: Rs. 42.95 crores) for Provident fund contributions and Rs. 8.80 crores (March 31, 2021: Rs. 10.30 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

46 RETIREMENT BENEFIT PLAN (Contd.)

b) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The trust is in process of investing entire funds in government securities through third party fund managers and as on March 31, 2022, 94 % funds are invested in government securities and balance 6 % funds are invested in money market and corporate debt instruments. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current service cost	6.56	6.73
Interest expense	4.61	4.15
Interest Income	(4.48)	(3.93)
Past Service Cost	-	-
Components of defined benefit costs recognised in statement of profit and loss (A)	**6.69**	**6.95**
Remeasurement of gains/(losses) in other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expense)	(0.01)	(0.66)
Actuarial changes arising from changes in demographic assumptions	0.55	(1.40)
Actuarial changes arising from changes in financial assumptions	(3.57)	1.34
Experience adjustments	6.27	0.72
Components of defined benefit costs recognised in other comprehensive income (B)	**3.24**	-
Total (A+B)	**9.93**	**6.95**

Movement in the present value of the defined benefit obligation are as follows :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	72.88	63.25
Expenses recognised in statement of profit and loss :		
Current service cost	6.56	6.73
Interest expense/(income)	4.61	4.15
Recognised in other comprehensive income remeasurement gains/(losses)	3.25	0.66
Past service cost	-	-
Liability transferred in/acquisitions	-	0.01
Benefits paid from the fund	(5.10)	(1.92)
Present value of defined obligation at the end of the year	**82.20**	**72.88**

46 RETIREMENT BENEFIT PLAN (Contd.)

Change in the Fair value of plan assets :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the beginning of the year	**70.80**	**59.88**
Interest income	4.48	3.93
Contributions by the employer	9.77	8.25
Benefits paid from the fund	(5.10)	(1.92)
Return on plan assets excluding interest income	0.01	0.66
Fair value of plan assets at the end of the year	**79.96**	**70.80**

Calculation of benefit liability/(asset) :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation/liability	82.20	72.88
Fair value of plan assets	79.96	70.80
Benefit liability	**2.24**	**2.08**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Expected return on plan assets	6.90%	6.33%
Rate of discounting	6.90%	6.33%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 25.00% p.a. and for service 5 years and above 7.25% p.a.	For service 4 years and below 25.00% p.a. and for service 5 years and above 6.50% p.a.
Mortality rate during employment	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

Investments quoted in active markets:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Government securities	75.16	60.76
Debt and other instruments	4.80	10.04
Total	**79.96**	**70.80**

46 RETIREMENT BENEFIT PLAN (Contd.)

(Rs. in crores)

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2022	Impact on defined benefit obligation March 31, 2021
Discount rate	1% increase	(5.63)	(5.50)
	1% decrease	6.46	6.37
Future salary increases	1% increase	6.44	6.32
	1% decrease	(5.70)	(5.55)
Attrition rate	1% increase	0.84	0.56
	1% decrease	(0.95)	(0.64)

(Rs. in crores)

Expected payment for future years	As at March 31, 2022	As at March 31, 2021
Within the next 12 months (next annual reporting period)	8.31	7.30
Between 2 and 5 years	29.15	22.48
Between 5 and 10 years	34.24	28.17
Beyond 10 years	83.99	80.13
Total expected payments	**155.69**	**138.08**

The Company expects to contribute Rs. 9.58 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2022 is 9 years (March 31, 2021: 10 years).

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

c) Compensated Absences

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Rate of discounting	6.90%	6.33%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	25.00%	25.00%
Service 5 years and above	7.25%	6.50%
Mortality	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2006-08)

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Expenses recognised in statement of profit and loss	17.32	15.33

46 RETIREMENT BENEFIT PLAN (Contd.)

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2022.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in crores)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	10,662.44	-	**10,662.44**	11,050.93	-	**11,050.93**
Bank balance other than above	5,133.24	559.48	**5,692.72**	4,886.78	504.11	**5,390.89**
Derivative financial instruments	-	201.40	**201.40**	100.51	68.74	**169.25**
Receivables						
(I) Trade receivables	5.35	-	**5.35**	8.92	-	**8.92**
(II) Other receivables	103.24	89.43	**192.67**	49.90	-	**49.90**
Loans	41,448.37	75,216.78	**116,665.15**	37,930.19	70,372.85	**108,303.04**
Investments	2,943.69	3,865.47	**6,809.16**	523.21	2,674.64	**3,197.85**
Other financial assets	-	51.45	**51.45**	2.07	46.96	**49.03**
Non-financial Assets						
Current tax asset	-	228.24	**228.24**	-	171.73	**171.73**
Deferred tax assets (net)	-	869.38	**869.38**	-	639.14	**639.14**
Investment property	-	1.97	**1.97**	-	2.00	**2.00**
Property, plant and equipment	-	110.56	**110.56**	-	124.44	**124.44**
Right-of-use assets	-	302.52	**302.52**	-	308.51	**308.51**
Other intangible assets	-	3.04	**3.04**	-	2.39	**2.39**
Other non-financial assets	41.50	268.54	**310.04**	124.16	169.16	**293.32**
Total assets	**60,337.83**	**81,768.26**	**142,106.09**	**54,676.67**	**75,084.67**	**129,761.34**
Liabilities						
Financial Liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.02	-	**0.02**	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	165.70	0.31	**166.01**	152.52	-	**152.52**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	1.46	-	**1.46**	0.37	-	**0.37**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.21	-	**1.21**	0.54	-	**0.54**
Debt securities	11,901.72	29,354.83	**41,256.55**	12,471.61	27,590.26	**40,061.87**
Borrowings (other than debt securities)	19,869.86	26,807.07	**46,676.93**	20,285.69	24,995.68	**45,281.37**
Deposits	6,755.55	15,193.43	**21,948.98**	5,494.92	10,737.49	**16,232.41**
Subordinated liabilities	308.71	4,305.54	**4,614.25**	69.31	4,551.45	**4,620.76**
Lease liabilities	74.93	274.50	**349.43**	74.29	275.20	**349.49**
Other financial liabilities	755.06	104.58	**859.64**	1,014.97	134.85	**1,149.82**

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-financial Liabilities						
Current tax liabilities (net)	36.82	-	**36.82**	102.02	-	**102.02**
Provisions	99.87	38.31	**138.18**	105.52	37.02	**142.54**
Other non-financial liabilities	124.42	-	**124.42**	99.26	-	**99.26**
Total Liabilities	**40,095.33**	**76,078.57**	**116,173.90**	**39,871.02**	**68,321.95**	**108,192.97**
Net	**20,242.50**	**5,689.69**	**25,932.19**	**14,805.65**	**6,762.72**	**21,568.37**

48 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Rs. in crores)

Particulars	As at March 31, 2021	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2022
Debt securities	40,061.87	655.45	-	-	539.23	41,256.55
Borrowings (other than debt securities)	45,281.37	1,282.92	-	-	112.64	46,676.93
Deposits	16,232.41	5,753.63	-	-	(37.06)	21,948.98
Subordinated liabilities	4,620.76	(51.96)	-	-	45.45	4,614.25
Lease liabilities	349.49	(109.13)	-	-	109.07	349.43
Total liabilities from financing activities	**106,545.90**	**7,530.91**	**-**	**-**	**769.33**	**114,846.14**

(Rs. in crores)

Particulars	As at March 31, 2020	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2021
Debt securities	34,266.96	4,838.70	-	-	956.21	40,061.87
Borrowings (other than debt securities)	42,474.60	2,447.10	-	-	359.67	45,281.37
Deposits	11,960.12	4,206.86	-	-	65.43	16,232.41
Subordinated liabilities	5,670.07	(1,069.27)	-	-	19.96	4,620.76
Lease liabilities	362.81	(96.16)	-	-	82.84	349.49
Total liabilities from financing activities	**94,734.56**	**10,327.23**	**-**	**-**	**1,484.11**	**106,545.90**

49 CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent liabilities

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
a.	In respect of Income tax demands where the Company has filed appeal before various authorities	175.17	133.64
b.	VAT demand where the Company has filed appeal before various appellates	117.21	117.21
c.	Service tax demands where the Company has filed appeal before various authorities	1,976.41	1,976.41
d.	Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	5.00
	Total	**2,273.79**	**2,232.26**

49 CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)

Future cash outflows in respect of above are determinable only on receipt of judgements/decisions pending with various forums/authorities. It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(B) Commitments not provided for

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	11.45	3.53
b. Commitments related to loans sanctioned but undrawn	92.43	148.66

50 RELATED PARTY DISCLOSURES

Relationship		Name of the party
I	Promoter	: Shriram Capital Limited
II	Promoter Group	: Shriram Financial Ventures (Chennai) Private Limited
		Shriram Value Services Limited
		Novac Technology Solutions (P) Limited
		Shriram Fortune Solutions Limited
		Shriram General Insurance Company Limited
		Shriram Insight Share Brokers Limited
		Shriram Life Insurance Company Limited
		Shriram Asset Management Company Limited
		Shriram Financial Products Solutions (Chennai) Private Limited
		Insight Commodities and Futures Private Limited
		Shriram Credit Company Limited
		Shriram Overseas Investments Private Limited
		Shriram Wealth Limited (formerly known as Shriram Wealth Advisors Limited)
		Bharath Investments Pte. Ltd., Singapore
		SGI Philippines General Insurance Co. Inc.
		Novac Digital Service Private Limited
		Shriram LI Holdings Private Limited (formerly Snotter Technology Services Private Limited)
		SEA Funds Management India Private Limited
		Way2wealth Insurance Brokers Private Limited
		Way2wealth Securities Private Limited
		Way2wealth Brokers Private Limited
		Way2wealth Commodities Private Limited
		Shriram GI Holdings Private Limited (formerly Oner Infotech Services Private Limited)
		Shriram Investment Holdings Limited (w.e.f. October 11, 2021)

50 RELATED PARTY DISCLOSURES (Contd.)

III	Associates	: Shriram Automall India Limited (SAMIL) Cartradeexchange Solutions Private Limited Adroit Inspection Service Private Limited Augeo Asset Management Private Limited
IV	Key Management Personnel (KMP)	: Mr. Umesh Revankar, Vice Chairman & Managing Director(MD) Mr. S. Lakshminarayanan, Chairman Mr. Y. S. Chakravarti (w.e.f. December 13, 2021) Mr. Parag Sharma (w.e.f. December 13, 2021) Mrs. Kishori Udeshi Mr. S. Sridhar Mr. Pradeep Kumar Panja Mr. D. V. Ravi Mr. Ignatius Michael Viljoen Mr. S. Sunder (w.e.f. November 01, 2021) Mr. P. Sridharan (w.e.f. November 01, 2021) Mr. Sudarshan Holla (w.e.f. November 01, 2021) Mr. Nilesh Odedara (w.e.f. November 01, 2021) Mr. U. Balasundara Rao (w.e.f. November 01, 2021) Mr. Hardeep Singh Tur (w.e.f. November 01, 2021)
V	Relatives of Key Management Personnel*	: Mrs. Suchita U. Revankar (spouse of Vice Chairman & MD) Mrs. Geeta G. Revankar (mother of Vice Chairman & MD) Mr. Anil G. Revankar (brother of Vice Chairman & MD) Mr. Shreyas U. Revankar (son of Vice Chairman & MD) Mr. Shirish U. Revankar (son of Vice Chairman & MD) Mr. Jayendra Purshottamdas Udeshi (spouse of Director Mrs. Kishori Udeshi) Mrs. P Suchitra (sister of Director Mr. Pradeep Kumar Panja) Mrs. P Surekha (sister of Director Mr. Pradeep Kumar Panja) Mrs. Rama Sharma (mother of Director Mr. Parag Sharma) Ms. Atibhi Sharma (daughter of Director Mr. Parag Sharma) Mr. Amit Sharma (brother of Director Mr. Parag Sharma) Mrs. Sujatha Sunder (spouse of Joint Managing Director Mr. S Sunder) Mrs. S. Arulmozhi (spouse of Joint Managing Director Mr. P Sridharan)
VI	Employees' Benefit Plan	: Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme

*Names of relatives of Key Management Personnel with whom the Company has transactions

50 RELATED PARTY DISCLOSURES (Contd.)

Summary of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Payments/Expenses														
Payment to key management personnel	-	-	-	-	-	-	-	-	4.80	1.68	-	-	**4.80**	**1.68**
Royalty	-	-	187.67	173.35	-	-	-	-	-	-	-	-	**187.67**	**173.35**
Service charges	46.19	43.99	-	-	-	-	-	-	-	-	-	-	**46.19**	**43.99**
I.T & BPO charges	-	-	55.86	68.03	-	-	-	-	-	-	-	-	**55.86**	**68.03**
Rent	-	0.26	0.02	0.02	11.36	7.94	-	-	-	-	-	-	**11.38**	**8.22**
Business mobilisation expenses	-	-	-	-	0.07	0.02	-	-	-	-	-	-	**0.07**	**0.02**
Other administrative expenses	-	0.03	-	-	11.09	10.28	-	-	-	-	-	-	**11.09**	**10.31**
Insurance premium	-	-	9.62	9.46	-	-	-	-	-	-	-	-	**9.62**	**9.46**
Commission	-	-	100.94	67.55	1.10	-	-	-	-	-	-	-	**102.04**	**67.55**
Sales promotion	-	-	31.84	21.20	-	-	-	-	-	-	-	-	**31.84**	**21.20**
Unsecured loan and advances repaid	-	-	-	-	21.01	-	-	-	-	-	-	-	**21.01**	**-**
Valuation charges	-	-	-	-	0.72	0.44	-	-	-	-	-	-	**0.72**	**0.44**
Interest	0.91	0.01	60.60	47.17	3.52	5.46	-	-	0.83	0.20	0.09	0.01	**65.95**	**52.85**
Equity dividend	219.84	37.17	0.11	0.03	-	-	-	-	0.10	-	0.00	0.00	**220.05**	**37.20**
Non-convertible debenture (secured) matured	10.00	-	38.36	0.19	5.00	-	-	-	2.21	-	0.10	-	**55.67**	**0.19**
Fixed deposit matured	-	-	1.50	-	-	-	-	-	0.50	0.75	0.26	0.03	**2.26**	**0.78**
Subordinated debt matured	-	0.37	-	31.50	-	1.39	-	-	-	-	-	-	**-**	**33.26**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.77	8.25	-	-	-	-	**9.77**	**8.25**
Inter-corporate deposit repaid	-	-	-	-	84.60	90.85	-	-	-	-	-	-	**84.60**	**90.85**
Receipts/Income														
Recovery of common sharing expenses	0.02	0.01	0.95	1.12	0.59	0.47	-	-	-	-	-	-	**1.56**	**1.60**
Reimbursement of expenses	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**	**-**
Sale of Property, Plant & Equipment	-	-	0.00	-	-	-	-	-	-	-	-	-	**0.00**	**-**
Rent & electricity	0.17	0.16	-	-	4.18	4.67	-	-	-	-	-	-	**4.35**	**4.83**
Commission	-	-	49.60	71.46	-	-	-	-	-	-	-	-	**49.60**	**71.46**
Non-convertible debenture (secured)	-	-	-	35.00	-	-	-	-	-	-	-	-	**-**	**35.00**
Fixed deposit	-	-	15.63	12.30	65.50	20.00	-	-	0.26	1.08	0.97	0.08	**82.36**	**33.46**
Unsecured loan and advances repaid	-	-	-	-	-	15.06	-	-	-	-	-	-	**-**	**15.06**
Received towards right issue	-	425.22	-	0.39	-	-	-	-	-	-	-	0.00	**-**	**425.61**
Received towards preferential issue	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	**-**
Received towards convertible warrants	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	**-**
Inter-corporate deposits received	-	-	-	-	62.75	102.30	-	-	-	-	-	-	**62.75**	**102.30**
Balance outstanding at the year end														
Share capital	70.44	66.96	1.06	0.06	-	-	-	-	0.05	-	0.00	0.00	**71.55**	**67.02**
Investment in equity shares	-	-	-	-	13.37	13.37	-	-	-	-	-	-	**13.37**	**13.37**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Unsecured loan and advances payable	-	-	-	-	0.91	1.23	-	-	-	-	-	-	**0.91**	**1.23**
Commission receivable	-	-	4.67	8.16	-	-	-	-	-	-	-	-	**4.67**	**8.16**
Prepaid for insurance premium	-	-	-	2.73	-	-	-	-	-	-	-	-	**-**	**2.73**
Outstanding expenses	11.41	11.16	88.84	72.96	-	0.03	-	-	-	-	-	-	**100.25**	**84.15**
Fixed deposit*														
Public deposit	-	-	-	-	-	-	-	-	1.47	1.70	1.55	0.19	**3.02**	**1.89**
Deposit from corporates	-	-	29.57	14.34	89.37	20.00	-	-	-	-	-	-	**118.94**	**34.34**
Subordinated debt*	-	-	516.07	495.36	-	-	-	-	-	-	-	-	**516.07**	**495.36**
Non-convertible debenture (secured)*														
Public issue	-	-	29.28	43.18	17.86	23.17	-	-	0.13	2.86	0.09	-	**47.36**	**69.21**
Privately placed	-	-	10.01	10.01	-	-	-	-	-	-	-	-	**10.01**	**10.01**
Inter-corporate deposits*	-	-	-	-	27.45	49.59	-	-	-	-	-	-	**27.45**	**49.59**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

There were no guarantees given on behalf of related parties during the year.

The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2022 and March 31, 2021.

* Refer note 22 Debt securities, note 24 Deposits and note 25 Subordinated liabilities, for terms and conditions of non-convertible debentures, fixed deposit, inter-corporate deposits and subordinated debt respectively.

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Payments/Expenses														
Employee benefits for key management personnel														
- Short term benefits	-	-	-	-	-	-	-	-	3.22	0.83	-	-	**3.22**	**0.83**
- Post employment benefits	-	-	-	-	-	-	-	-	0.43	0.16	-	-	**0.43**	**0.16**
Commission & sitting fee paid to directors														
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	0.31	0.16	-	-	**0.31**	**0.16**
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.26	0.18	-	-	**0.26**	**0.18**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.30	0.17	-	-	**0.30**	**0.17**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.28	0.18	-	-	**0.28**	**0.18**
License Fees														
- Shriram Value Services Limited	-	-	187.67	173.35	-	-	-	-	-	-	-	-	**187.67**	**173.35**
Service Charges														
- Shriram Capital Limited	46.19	43.99	-	-	-	-	-	-	-	-	-	-	**46.19**	**43.99**
Voice call services														
- Novac Technology Solutions (P) Limited	-	-	8.91	24.37	-	-	-	-	-	-	-	-	**8.91**	**24.37**
IT & BPO charges														

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
- Novac Technology Solutions (P) Limited	-	-	46.96	43.66	-	-	-	-	-	-	-	-	**46.96**	**43.66**
Rent				-										
- Shriram Automall India Limited	-	-	-	-	11.36	7.94	-	-	-	-	-	-	**11.36**	**7.94**
- Shriram Capital Limited	-	0.26	-	-	-	-	-	-	-	-	-	-	**-**	**0.26**
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	**0.02**	**0.02**
Business mobilisation expenses														
- Shriram Automall India Limited	-	-	-	-	0.07	0.02	-	-	-	-	-	-	**0.07**	**0.02**
Other administrative expenses														
- Shriram Capital Limited	-	0.03	-	-	-	-	-	-	-	-	-	-	**-**	**0.03**
- Shriram Automall India Limited	-	-	-	-	11.09	10.28	-	-	-	-	-	-	**11.09**	**10.28**
Insurance premium														
- Shriram Life Insurance Company Limited	-	-	5.99	5.40	-	-	-	-	-	-	-	-	**5.99**	**5.40**
- Shriram General Insurance Company Limited	-	-	3.63	4.06	-	-	-	-	-	-	-	-	**3.63**	**4.06**
Commission														
- Shriram Fortune Solutions Limited	-	-	82.04	51.21	-	-	-	-	-	-	-	-	**82.04**	**51.21**
- Adroit Inspection Service Private Limited	-	-	-	-	1.10	-	-	-	-	-	-	-	**1.10**	**-**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	7.92	9.10	-	-	-	-	-	-	-	-	**7.92**	**9.10**
- Shriram Insight Share Brokers Limited	-	-	8.23	6.56	-	-	-	-	-	-	-	-	**8.23**	**6.56**
- Shriram Wealth Limited	-	-	2.56	0.68	-	-	-	-	-	-	-	-	**2.56**	**0.68**
- Way2wealth Securities Private Limited	-	-	0.19	-	-	-	-	-	-	-	-	-	**0.19**	**-**
Sales promotion														
- Shriram Fortune Solutions Limited	-	-	23.99	15.91	-	-	-	-	-	-	-	-	**23.99**	**15.91**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	5.16	3.48	-	-	-	-	-	-	-	-	**5.16**	**3.48**
- Shriram Insight Share Brokers Limited	-	-	2.04	1.68	-	-	-	-	-	-	-	-	**2.04**	**1.68**
- Shriram Wealth Limited	-	-	0.59	0.13	-	-	-	-	-	-	-	-	**0.59**	**0.13**
- Way2wealth Securities Private Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**	**-**
Unsecured loan and advances repaid														
- Shriram Automall India Limited	-	-	-	-	21.01	-	-	-	-	-	-	-	**21.01**	**-**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Interest on Inter-corporate deposits														
- Shriram Automall India Limited	-	-	-	-	1.28	3.63	-	-	-	-	-	-	**1.28**	**3.63**
Valuation charges paid														
- Adroit Inspection Service Private Limited	-	-	-	-	0.72	0.44	-	-	-	-	-	-	**0.72**	**0.44**
Interest on fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.15	0.20	-	-	**0.15**	**0.20**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.06	0.01	**0.06**	**0.01**
- Shriram Asset management Company Limited	-	-	0.26	-	-	-	-	-	-	-	-	-	**0.26**	-
Interest on subordinated debt														
- Shriram Automall India Limited	-	-	-	-	-	0.17	-	-	-	-	-	-	-	**0.17**
- Shriram Capital Limited	-	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**
- Shriram Life Insurance Company Limited	-	-	12.38	10.36	-	-	-	-	-	-	-	-	**12.38**	**10.36**
- Shriram General Insurance Company Limited	-	-	34.41	32.27	-	-	-	-	-	-	-	-	**34.41**	**32.27**
Interest on non-convertible debenture (secured)														
- Shriram Life Insurance Company Limited	-	-	3.22	3.22	-	-	-	-	-	-	-	-	**3.22**	**3.22**
- Shriram Asset Management Company Limited	-	-	1.42	1.27	-	-	-	-	-	-	-	-	**1.42**	**1.27**
- Shriram Insight Share Brokers Limited	-	-	0.05	0.05	-	-	-	-	-	-	-	-	**0.05**	**0.05**
- Shriram Automall India Limited	-	-	-	-	2.24	1.66	-	-	-	-	-	-	**2.24**	**1.66**
- Shriram Capital Limited	0.91	-	-	-	-	-	-	-	-	-	-	-	**0.91**	-
- Shriram Value Services Limited	-	-	8.86	-	-	-	-	-	-	-	-	-	**8.86**	-
- Key management personnel														
- Mr. Umesh Revankar	-	-	-	-	-	-	-	-	0.62	-	-	-	**0.62**	-
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.03	-	-	-	**0.03**	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.03	-	-	-	**0.03**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.03	-	**0.03**	-
Equity dividend														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Key management personnel														
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.09	-	-	-	**0.09**	-
- Mr. S. Sunder	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. P. Sridharan	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. U. Balasundara Rao	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Shriram Capital Limited	219.84	37.17	-	-	-	-	-	-	-	-	-	-	**219.84**	**37.17**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.11	0.03	-	-	-	-	-	-	-	-	**0.11**	**0.03**
Non-convertible debenture (secured) matured														
- Shriram Insight Share Brokers Limited	-	-	0.52	0.19	-	-	-	-	-	-	-	-	**0.52**	**0.19**
- Shriram Capital Limited	10.00	-	-	-	-	-	-	-	-	-	-	-	**10.00**	-
- Shriram Asset management Company Limited	-	-	12.84	-	-	-	-	-	-	-	-	-	**12.84**	-
- Shriram Automall India Limited	-	-	-	-	5.00	-	-	-	-	-	-	-	**5.00**	-
- Shriram Value Services Limited	-	-	25.00	-	-	-	-	-	-	-	-	-	**25.00**	-
- Key management personnel														
- Mr. Umesh Revankar	-	-	-	-	-	-	-	-	2.00	-	-	-	**2.00**	-
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.11	-	-	-	**0.11**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.10	-	**0.10**	-
Fixed deposit matured														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.50	0.75	-	-	**0.50**	**0.75**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.26	0.03	**0.26**	**0.03**
- Shriram Asset management Company Limited	-	-	1.50	-	-	-	-	-	-	-	-	-	**1.50**	-
Subordinated debt matured														
- Shriram Capital Limited	-	0.37	-	-	-	-	-	-	-	-	-	-	-	**0.37**
- Shriram Automall India Limited	-	-	-	-	-	1.39	-	-	-	-	-	-	-	**1.39**
- Shriram General Insurance Company Limited	-	-	-	25.00	-	-	-	-	-	-	-	-	-	**25.00**
- Shriram Life Insurance Company Limited	-	-	-	6.50	-	-	-	-	-	-	-	-	-	**6.50**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.77	8.25	-	-	-	-	**9.77**	**8.25**
Inter-corporate deposits repaid														
- Shriram Automall India Limited	-	-	-	-	84.60	90.85	-	-	-	-	-	-	**84.60**	**90.85**
TOTAL	**276.94**	**81.83**	**486.52**	**418.50**	**138.46**	**116.38**	**9.77**	**8.25**	**8.44**	**2.63**	**0.45**	**0.04**	**920.58**	**627.63**
Receipts/Income														
Recovery of common sharing expenses														
- Shriram Automall India Limited	-	-	-	-	0.59	0.47	-	-	-	-	-	-	**0.59**	**0.47**
- Shriram Capital Limited	0.02	0.01	-	-	-	-	-	-	-	-	-	-	**0.02**	**0.01**
- Shriram Asset Management Company Limited	-	-	-	0.06	-	-	-	-	-	-	-	-	-	**0.06**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
- Shriram Insight Share Brokers Limited	-	-	0.03	0.02	-	-	-	-	-	-	-	-	**0.03**	**0.02**
- Shriram Fortune Solutions Limited	-	-	0.92	1.04	-	-	-	-	-	-	-	-	**0.92**	**1.04**
Reimbursement of expenses														
- Shriram Capital Limited	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**	**-**
Sale of Property, Plant & Equipment														
- Novac Technology Solutions (P) Limited	-	-	0.00	-	-	-	-	-	-	-	-	-	**0.00**	**-**
Rent & electricity														
- Shriram Capital Limited	0.17	0.16	-	-	-	-	-	-	-	-	-	-	**0.17**	**0.16**
- Shriram Automall India Limited	-	-	-	-	4.18	4.67	-	-	-	-	-	-	**4.18**	**4.67**
Commission														
- Shriram General Insurance Company Limited	-	-	33.08	50.80	-	-	-	-	-	-	-	-	**33.08**	**50.80**
- Shriram Life Insurance Company Limited	-	-	16.52	20.66	-	-	-	-	-	-	-	-	**16.52**	**20.66**
Non-convertible debenture (secured)														
- Shriram Life Insurance Company Limited	-	-	-	35.00	-	-	-	-	-	-	-	-	**-**	**35.00**
Fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.25	0.93	-	-	**0.25**	**0.93**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	0.05	-	-	**-**	**0.05**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	0.10	-	-	**-**	**0.10**
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	0.01	-	-	-	**0.01**	**-**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.97	0.08	**0.97**	**0.08**
- Shriram Asset Management Company Limited	-	-	15.63	12.30	-	-	-	-	-	-	-	-	**15.63**	**12.30**
- Shriram Automall India Limited	-	-	-	-	54.00	20.00	-	-	-	-	-	-	**54.00**	**20.00**
- Cartradeexchange Solutions Private Limited	-	-	-	-	11.50	-	-	-	-	-	-	-	**11.50**	**-**
Unsecured loan and advances repaid														
- Shriram Automall India Limited	-	-	-	-	-	15.06	-	-	-	-	-	-	**-**	**15.06**
Received towards right issue			-											
- Shriram Capital Limited	-	425.22	-	-	-	-	-	-	-	-	-	-	**-**	**425.22**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	-	0.39	-	-	-	-	-	-	-	-	**-**	**0.39**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	**0.00**	**-**	**0.00**
Received towards preferential issue														
- Shriram Capital Limited	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	**-**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Received towards convertible warrants														
- Shriram Capital Limited	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	-
Inter-corporate deposit														
- Shriram Automall India Limited	-	-	-	-	62.75	102.30	-	-	-	-	-	-	**62.75**	**102.30**
TOTAL	**500.19**	**425.39**	**66.18**	**120.27**	**133.02**	**142.50**	-	-	**0.26**	**1.08**	**0.97**	**0.08**	**700.63**	**689.32**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2022 and March 31, 2021.

Breakup of related party transactions

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Balance outstanding at the year end														
Share capital														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Key management personnel	-		-		-		-		-		-			
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.05	-	-	-	**0.05**	-
- Mr. S. Sunder	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. P. Sridharan	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. U. Balasundara Rao	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Shriram Capital Limited	70.44	66.96	-	-	-	-	-	-	-	-	-	-	**70.44**	**66.96**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	-	0.06	-	-	-	-	-	-	-	-	-	**0.06**
- Shriram Value Services Limited	-	-	1.06	-	-	-	-	-	-	-	-	-	**1.06**	-
Investment in equity shares														
- Shriram Automall India Limited	-	-	-	-	13.37	13.37	-	-	-	-	-	-	**13.37**	**13.37**
Unsecured loan and advances payable														
- Shriram Automall India Limited	-	-	-	-	0.91	1.23	-	-	-	-	-	-	**0.91**	**1.23**
Commission receivable														
- Shriram General Insurance Company Limited	-	-	3.21	6.10	-	-	-	-	-	-	-	-	**3.21**	**6.10**
- Shriram Life Insurance Company Limited	-	-	1.46	2.06	-	-	-	-	-	-	-	-	**1.46**	**2.06**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Prepaid for insurance premium														
- Shriram General Insurance Company Limited	-	-	-	1.71	-	-	-	-	-	-	-	-	**-**	**1.71**
- Shriram Life Insurance Company Limited	-	-	-	1.02	-	-	-	-	-	-	-	-	**-**	**1.02**
Outstanding expenses														
- Shriram Capital Limited	11.41	11.16	-	-	-	-	-	-	-	-	-	-	**11.41**	**11.16**
- Shriram Value Services Limited	-	-	77.85	50.35	-	-	-	-	-	-	-	-	**77.85**	**50.35**
- Novac Technology Solutions (P) Limited	-	-	1.96	8.19	-	-	-	-	-	-	-	-	**1.96**	**8.19**
- Shriram Fortune Solutions Limited	-	-	6.37	11.05	-	-	-	-	-	-	-	-	**6.37**	**11.05**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	1.85	2.17	-	-	-	-	-	-	-	-	**1.85**	**2.17**
- Shriram Insight Share Brokers Limited	-	-	0.65	1.03	-	-	-	-	-	-	-	-	**0.65**	**1.03**
- Adroit Inspection Service Private Limited	-	-	-	-	-	0.03	-	-	-	-	-	-	**-**	**0.03**
- Shriram Wealth Limited	-	-	0.08	0.17	-	-	-	-	-	-	-	-	**0.08**	**0.17**
- Way2wealth Securities Private Limited	-	-	0.08	-	-	-	-	-	-	-	-	-	**0.08**	**-**
Fixed deposit														
- Key management personnel	-		-		-		-		-		-			
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	1.27	1.55	-	-	**1.27**	**1.55**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.06	0.05	-	-	**0.06**	**0.05**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.11	0.10	-	-	**0.11**	**0.10**
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	**-**
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	0.03	-	-	-	**0.03**	**-**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	1.55	0.19	**1.55**	**0.19**
- Shriram Asset Management Company Limited	-	-	29.57	14.34	-	-	-	-	-	-	-	-	**29.57**	**14.34**
- Shriram Automall India Limited	-	-	-	-	77.45	20.00	-	-	-	-	-	-	**77.45**	**20.00**
- Cartradeexchange Solutions Private Limited	-	-	-	-	11.92	-	-	-	-	-	-	-	**11.92**	**-**
Non-convertible debenture (secured)														
- Key management personnel	-		-		-		-		-		-			
- Mr. Umesh Revankar	-	-	-	-	-	-	-	-	-	2.49	-	-	**-**	**2.49**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	0.13	-	-	**-**	**0.13**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.13	0.24	-	-	**0.13**	**0.24**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.09	-	**0.09**	-
- Shriram Life Insurance Company Limited	-	-	36.71	36.71	-	-	-	-	-	-	-	-	**36.71**	**36.71**
- Shriram Asset Management Company Limited	-	-	2.50	15.85	-	-	-	-	-	-	-	-	**2.50**	**15.85**
- Shriram Insight Share Brokers Limited	-	-	0.08	0.63	-	-	-	-	-	-	-	-	**0.08**	**0.63**
- Shriram Automall India Limited	-	-	-	-	17.86	23.17	-	-	-	-	-	-	**17.86**	**23.17**
Subordinated debt														
- Shriram Life Insurance Company Limited	-	-	149.04	126.63	-	-	-	-	-	-	-	-	**149.04**	**126.63**
- Shriram General Insurance Company Limited	-	-	367.03	368.73	-	-	-	-	-	-	-	-	**367.03**	**368.73**
Inter-corporate deposit														
- Shriram Automall India Limited	-	-	-	-	27.45	49.59	-	-	-	-	-	-	**27.45**	**49.59**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2022 and March 31, 2021.

50 RELATED PARTY DISCLOSURES (Contd.)

Disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. Disclosures relating Loans and Advances /Investments

(Rs. in crores)

Sl No.	Loans and Advances in the nature of Loans	Maximum Amount Outstanding during the year March 2022	Maximum Amount Outstanding during the year March 2021
A)	To Associate		
	- Shriram Automall India Limited	-	0.38

II. Shriram Transport Finance Company Limited (STFC) holds 44.56 % of equity shares of the company. Disclosure relating to transactions with STFC is given above.

51 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. Refer note 82 and 92 for the Company's Capital ratios.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board. The Company has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards"

52 FAIR VALUE MEASUREMENT

52.01: Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 6.1 (xiii).

52.02: Fair value hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2022

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	97.84	-	**97.84**
Currency swaps	-	(276.95)	-	**(276.95)**
Interest rate swaps	-	3.18	-	**3.18**
Cross currency interest rate swaps	-	364.13	-	**364.13**
Interest rate caps	-	13.20	-	**13.20**
Total derivative financial instruments	**-**	**201.40**	**-**	**201.40**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	1,523.02	-	-	**1,523.02**
Equity instruments	-	-	23.89	**23.89**
Certificate of deposits	-	822.29	-	**822.29**
Venture capital fund	-	1.53	-	**1.53**
Total financial assets held for trading	**1,523.02**	**823.82**	**23.89**	**2,370.73**
Total assets measured at fair value on a recurring basis	**1,523.02**	**1,025.22**	**23.89**	**2,572.13**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	**1,523.02**	**1,025.22**	**23.89**	**2,572.13**

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

As at March 31, 2021

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	79.37	-	**79.37**
Currency swaps	-	(103.23)	-	**(103.23)**
Interest rate swaps	-	9.72	-	**9.72**
Cross currency interest rate swaps	-	181.54	-	**181.54**
Interest rate caps	-	1.85	-	**1.85**
Total derivative financial instruments	-	**169.25**	-	**169.25**
Financial assets held for trading				
Mutual funds	-	-	-	-
Equity instruments	-	-	6.74	**6.74**
Venture capital fund	-	1.54	-	**1.54**
Total financial assets held for trading	-	**1.54**	**6.74**	**8.28**
Total assets measured at fair value on a recurring basis	-	**170.79**	**6.74**	**177.53**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	-	**170.79**	**6.74**	**177.53**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

52.03: Valuation techniques

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Investments in Mutual Funds / Equity instruments

Investment in units of mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies derivative financial instruments as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Certificate of deposits (CDs)

Certificate of deposits are short-term financial instruments issued by Banks. Financial Benchmark India Private Ltd (FBIL) has developed the FBIL-CD, a new benchmark for the money market based on traded CDs reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform of The Clearing Corporation of India Ltd (CCIL). FBIL-CD is announced for seven tenors of 14 days, 1 month, 2 months, 3 months, 6 months, 9 months and 12 months. For valuation, the Company uses FBIL-CD benchmark and based on that benchmark the Company interpolates and calculates CD prices corresponding to their residual maturities and such instruments are classified as Level 2.

52.04: Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

52.05: Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

52 FAIR VALUE MEASUREMENT (Contd.)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(Rs. in crores)

Particulars	Equity instruments	
	As at March 31, 2022	As at March 31, 2021
Opening balance	**6.74**	**3.36**
Purchase	-	-
Sales	-	-
Issuances	-	-
Settlements	-	-
Transfers into level 3	-	-
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Unrealised gains and losses related to balances held at the end of the year	**17.15**	**3.38**
Closing balance	**23.89**	**6.74**

52.06: Impact of changes to key assumptions on fair value of level 3 financial instruments measured at fair value

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(Rs. in crores)

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets As at March 31, 2022	Level 3 assets As at March 31, 2021		
Equity instruments	23.89	6.74	Based on the discounted cashflow	Based on the discounted cashflow

52.07: Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/ unfavourable range.

The table below shows data in relation to level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

(Rs. in crores)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
Equity instruments based on the discounted cashflow	25.03	22.64	7.11	6.39

52 FAIR VALUE MEASUREMENT (Contd.)

52.08: Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non-financial liabilities.

(Rs. in crores)

As at March 31, 2022	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	10,662.44	5,953.99	4,701.32	-	**10,655.31**
Bank balance other than cash and cash equivalents	5,692.72	9.72	5,126.81	-	**5,136.53**
Trade receivables	5.35	-	-	5.35	**5.35**
Other receivables	192.67	-	-	192.67	**192.67**
Loans (excluding impairment loss allowance)	125,699.03	-	-	124,404.71	**124,404.71**
Investments at amortised cost (excluding impairment loss allowance)	4,461.06	3,155.70	-	1,082.12	**4,237.82**
Other investments	13.37	-	-	13.37	**13.37**
Other financial assets	51.45	-	-	42.70	**42.70**
Total financial assets	**146,778.09**	**9,119.41**	**9,828.13**	**125,740.92**	**144,688.46**
Financial liabilities:					
Trade payables	166.03	-	-	166.03	**166.03**
Other payables	2.67	-	-	2.67	**2.67**
Debt securities	41,256.55	-	40,467.60	-	**40,467.60**
Borrowings (other than debt securities)	46,676.93	-	47,147.82	-	**47,147.82**
Deposits	21,948.98	-	-	23,963.34	**23,963.34**
Subordinated liabilities	4,614.25	-	4,962.46	-	**4,962.46**
Lease liabilities	349.43	-	-	349.43	**349.43**
Other financial liabilities	859.64	-	-	859.64	**859.64**
Total financial liabilities	**115,874.48**	**-**	**92,577.88**	**25,341.11**	**117,918.99**
Off-balance sheet items					
Other commitments	92.43	-	-	92.43	**92.43**
Total off-balance sheet items	**92.43**	**-**	**-**	**92.43**	**92.43**

(Rs. in crores)

As at March 31, 2021	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	11,050.93	7,599.40	3,449.44	-	**11,048.84**
Bank balance other than cash and cash equivalents	5,390.89	161.65	5,126.81	-	**5,288.46**
Trade receivables	8.92	-	-	8.92	**8.92**
Other receivables	49.90	-	-	49.90	**49.90**
Loans (excluding impairment loss allowance)	116,191.59	-	-	114,238.50	**114,238.50**
Investments at amortised cost (excluding impairment loss allowance)	3,214.21	2,159.91	-	903.27	**3,063.18**
Other investments	13.37	-	-	13.37	**13.37**
Other financial assets	49.03	-	-	39.68	**39.68**
Total financial assets	**135,968.84**	**9,920.96**	**8,576.25**	**115,253.64**	**133,750.85**
Financial liabilities:					
Trade payables	152.52	-	-	152.52	**152.52**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2021	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Other payables	0.91	-	-	0.91	**0.91**
Debt securities	40,061.87	-	47,326.64	-	**47,326.64**
Borrowings (other than debt securities)	45,281.37	-	51,089.94	-	**51,089.94**
Deposits	16,232.41	-	-	16,559.97	**16,559.97**
Subordinated liabilities	4,620.76	-	6,265.88	-	**6,265.88**
Lease liabilities	349.49	-	-	349.49	**349.49**
Other financial liabilities	1,149.82	-	-	1,149.82	**1,149.82**
Total financial liabilities	**107,849.15**	**-**	**104,682.46**	**18,212.71**	**122,895.17**
Off-balance sheet items					
Other commitments	148.66	-	-	148.66	**148.66**
Total off-balance sheet items	**148.66**	**-**	**-**	**148.66**	**148.66**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables, bank overdrafts and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

52.09: Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Instruments with no comparable instruments or valuation inputs are classified as Level 3.

Investment in associate at cost

Investment in associate: As per Ind AS 28 Interest in associate are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. Loan and other similar arrangements with subsidiaries which are probable to be settled for a fixed number of equity share of the borrower for a fixed price are classified as equity investment. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Investment in government securities at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

52 FAIR VALUE MEASUREMENT (Contd.)

Issued debt and borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate from market-observable data such as secondary prices for its traded debt.

Deposits

The fair value of public deposits and deposit from corporates is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for deposits of similar tenure and scheme (cumulative/non-cumulative). Inter-corporate deposits are estimated at their carrying amounts due to the short-term maturities of these deposits.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on the carrying amounts due to the short-term maturities of these positions.

53 RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

53.01: Introduction and risk profile

53.01.01: Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk owners within each department will report to the Risk Committee.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

53.01.02: Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

53.01.03: Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department.

53 RISK MANAGEMENT (Contd.)

The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

53.01.04: Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

53.02: Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due(dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

53.02.01: Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

53.02.02: Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 53.02.02.01).

- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 53.02.02.02 to 53.02.02.04)
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 53.02.02.05)
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 53.02.02.07)
- The details of the ECL calculations for stage 1, stage 2 and stage 3 assets (Note 6.1(xi))

53 RISK MANAGEMENT (Contd.)

53.02.02.01: Definition of default

The Company considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.

53.02.02.02: PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

53.02.02.03: Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For stage 2 and stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

53.02.02.04: Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

53.02.02.05: Significant increase in credit risk(SICR)

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers' ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 53.02.02.01 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 53.02.02.07), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

53 RISK MANAGEMENT (Contd.)

53.02.02.06: Forward looking information

The Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note 63 for impact of COVID-19 on estimate of PD, LGD and SICR.

53.02.02.07: Grouping financial assets measured on a collective basis

As explained in Note 6.1.(xi) dependent on the factors below, the Company calculates ECLs only on a collective basis.

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. New vehicle finance
2. Pre owned vehicle finance
3. Business Loans

53.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2022 was Rs. 61.13 crores (March 31, 2021: Rs. 52.22 crores).

Credit risk exposure analysis

(Rs. in crores)

Particulars	As at March 31, 2022			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Credit risk exposure	103,492.98	13,318.50	8,887.55	**125,699.03**

53.03: Liquidity risk and funding management

In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company in line with the Company's budget and decided risk management objectives. The ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the company. The ALCO will be responsible for ensuring the adherence to the target set by the Board of Directors. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its ratification.

53 RISK MANAGEMENT (Contd.)

53.03.01: Analysis of financial assets and liabilities by remaining maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2022:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	10,662.44	-	-	-	-	-	**10,662.44**
Bank balance other than above	2,784.30	1,031.15	1,317.79	559.48	-	-	**5,692.72**
Derivative assets	-	-	-	63.56	137.84	-	**201.40**
Financial assets at fair value through profit and loss	2,345.31	-	-	-	-	25.42	**2,370.73**
Loans *	15,723.90	14,546.00	26,984.78	71,816.77	17,558.94	1,792.34	**148,422.73**
Financial investments at amortised cost	326.03	113.89	158.46	641.28	565.38	2,656.02	**4,461.06**
Trade receivables	5.35	-	-	-	-	-	**5.35**
Other receivables	29.03	27.62	46.59	81.92	7.51	-	**192.67**
Other financial assets	-	-	-	-	-	51.45	**51.45**
Total undiscounted financial assets	**31,876.36**	**15,718.66**	**28,507.62**	**73,163.01**	**18,269.67**	**4,525.23**	**172,060.55**
Financial liabilities							
Deposits *	1,940.42	2,127.66	3,645.55	12,642.21	5,526.91	-	**25,882.75**
Debt securities *	2,556.00	808.00	10,135.48	21,192.82	5,692.14	8,960.67	**49,345.11**
Borrowings (other than debt securities) *	8,178.50	4,948.26	9,511.65	24,057.35	5,307.19	50.61	**52,053.56**
Subordinated liabilities *	137.00	152.00	466.40	3,323.50	521.20	1,606.00	**6,206.10**
Trade payables	165.72	-	-	0.31	-	-	**166.03**
Other payables	2.67	-	-	-	-	-	**2.67**
Lease liabilities	26.48	25.72	48.42	155.57	89.58	99.69	**445.46**
Other financial liabilities	643.75	53.30	58.01	99.19	5.39	-	**859.64**
Total undiscounted financial liabilities	**13,650.54**	**8,114.94**	**23,865.51**	**61,470.95**	**17,142.41**	**10,716.97**	**134,961.32**
Net undiscounted financial assets/ (liabilities)	**18,225.82**	**7,603.72**	**4,642.11**	**11,692.06**	**1,127.26**	**(6,191.74)**	**37,099.23**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2021:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	11,050.93	-	-	-	-	-	**11,050.93**
Bank balance other than above	2,250.28	1,543.15	1,093.35	450.85	53.26	-	**5,390.89**
Derivative assets	-	-	100.51	38.26	-	30.48	**169.25**
Financial assets at fair value through profit and loss	-	-	-	-	-	8.28	**8.28**
Loans *	13,358.17	15,198.43	24,695.47	66,062.15	18,404.12	3,131.92	**140,850.26**
Financial investments at amortised cost	153.19	134.26	235.76	832.05	169.15	1,689.80	**3,214.21**
Trade receivables	8.92	-	-	-	-	-	**8.92**
Other receivables	49.90	-	-	-	-	-	**49.90**
Other financial assets	2.07	-	-	-	-	46.96	**49.03**
Total undiscounted financial assets	**26,873.46**	**16,875.84**	**26,125.09**	**67,383.31**	**18,626.53**	**4,907.44**	**160,791.67**
Financial liabilities							
Deposits *	920.83	1,541.32	3,817.22	9,090.96	3,814.50	-	**19,184.83**
Debt securities *	3,433.09	4,954.30	5,893.54	24,240.95	3,320.04	5,428.64	**47,270.56**
Borrowings (other than debt securities) *	6,348.78	5,469.99	11,980.12	23,455.05	4,790.82	365.83	**52,410.59**
Subordinated liabilities *	86.83	86.23	341.79	1,493.08	2,828.52	1,880.28	**6,716.73**
Trade payables	152.22	-	0.30	-	-	-	**152.52**
Other payables	0.54	-	-	-	-	-	**0.54**
Lease liabilities	25.98	25.26	49.72	161.50	92.89	91.87	**447.23**
Other financial liabilities	925.01	8.02	81.94	99.85	30.91	4.09	**1,149.82**
Total undiscounted financial liabilities	**11,803.95**	**12,078.19**	**22,152.11**	**58,505.60**	**14,859.35**	**7,753.77**	**127,332.82**
Net undiscounted financial assets/ (liabilities)	**15,069.51**	**4,797.65**	**3,972.98**	**8,877.71**	**3,767.18**	**(2,846.33)**	**33,458.85**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

The table below shows the expiry by maturity of the Company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2022							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	175.17	**175.17**
VAT demand where the Company has filed appeal before various appellates	-	-	-	-	-	117.21	**117.21**
Service tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	1,976.41	**1,976.41**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	11.45	-	-	-	-	-	**11.45**
Commitments related to loans sanctioned but undrawn	92.43	-	-	-	-	-	**92.43**
Total commitments	**103.88**	**-**	**-**	**-**	**-**	**2,273.79**	**2,377.67**
As at March 31, 2021							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	133.64	**133.64**
VAT demand where the Company has filed appeal before various appellates	-	-	-	-	-	117.21	**117.21**
Service tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	1,976.41	**1,976.41**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	3.53	-	-	-	-	-	**3.53**
Commitments related to loans sanctioned but undrawn	148.66	-	-	-	-	-	**148.66**
Total commitments	**152.19**	**-**	**-**	**-**	**-**	**2,232.26**	**2,384.45**

53 RISK MANAGEMENT (Contd.)

53.04: Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks such as Bank Marginal Cost of Funds based Lending Rate (MCLR) or London Inter-bank Offered Rate (LIBOR) and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The Company hedges interest rate risks of foreign currency borrowings through derivative transactions. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2022 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	2,446.80	237.64	(294.97)
Term loans	11,198.93	1,356.11	(1,801.15)
Total floating rate borrowings	**13,645.73**	**1,593.75**	**(2,096.12)**

As at March 31, 2021 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	5,776.24	572.78	(644.49)
Term loans	9,723.08	707.21	(665.36)
Total floating rate borrowings	**15,499.32**	**1,279.99**	**(1,309.85)**

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Inter-bank Offered Rate (IBOR) reform

The table below shows the Company's exposure at the year end to significant IBORs subject to reform that have yet to transition to alternative Risk Free Rates (RFRs). These exposures will remain outstanding until the IBOR ceases and will therefore transition in future and the table excludes exposures to IBOR that will expire before transition is required. The derivative hedging instruments provide a close approximation to the extent of the risk exposure the Company manages through hedging relationships.

(Rs. in crores)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Rate of interest	Notional Amounts	Maturity date	Rate of interest	Notional Amounts	Maturity date
Currency derivatives:						
- Spots and forwards	3 months LIBOR + 1.95%	22.19	June 10, 2022 to August 10, 2023	3 months LIBOR + 1.95%	37.05	June 10, 2022 to August 10, 2023
- Cross currency interest rate swaps	3 months LIBOR + 1.95%	2,402.33	August 10, 2023	3 months LIBOR + 1.95%	2,402.33	August 10, 2023
- Cross currency interest rate swaps	6 months LIBOR + 2.50%	133.64	June 13, 2022 to December 11, 2026	6 months LIBOR + 2.50%	147.00	December 13, 2021 to December 11, 2026
TOTAL		**2,558.16**			**2,586.38**	

53 RISK MANAGEMENT (Contd.)

Foreign Currency risk

Foreign Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency fluctuation risk for its foreign currency borrowing. The Company's borrowings in foreign currency are governed by RBI Master Direction External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (as and when updated) which requires entities raising External Commercial Borrowings (ECB) for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure. The Company hedges its entire ECB and external commercial bond exposure as per Board approved hedging policy and resource mobilisation policy. The Company manages foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company holds derivative financial instruments such as Cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The Counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place. Refer Note 22 B - External commercial bond (ED) Secured and 23 C-External commercial borrowing, respectively for terms and conditions of external commercial bonds and external commercial borrowings.

Exposure to currency risk

The summary quantitative data about exposure to Currency risk (based on Notional amounts) as reported :

(Amount in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Contracts in EURO		Contracts in USD		Contracts in EURO		Contracts in USD	
	EURO	INR	USD	INR	EURO	INR	USD	INR
Total foreign currency exposure in respect of recognised assets and liabilities	8.65	685.38	536.60	36,134.01	10.58	837.69	479.50	35,593.99
Cross currency Interest rate swap / Forward exchange contracts	8.65	685.38	536.60	36,134.01	10.58	837.69	479.50	35,593.99
Net Exposure	-	-	-	-	-	-	-	-

Movement in Cash flow hedge reserve

(Rs. in crores)

Cash flow hedge reserve	As at March 31, 2022			As at March 31, 2021		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Balance at the beginning of the year	-	**(93.02)**	**(93.02)**	-	-	-
Add: Changes in the fair value during the year	-	(160.87)	(160.87)	-	(124.31)	(124.31)
Less: Income tax relating to items that will be reclassified to profit or loss	-	40.49	40.49	-	31.29	31.29
Less: Amounts reclassified to Statement of profit and loss	-	-	-	-	-	-
Balance at the end of the year	-	**(213.40)**	**(213.40)**	-	**(93.02)**	**(93.02)**

Nature and terms and conditions of outstanding derivative contracts

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets
(i) Currency derivatives:								
- Spots and forwards	3 months LIBOR + 1.95%	June 10, 2022 to August 10, 2023	22.19	(0.56)	3 months LIBOR + 1.95%	June 10, 2021 to August 10, 2023	37.05	(0.30)
- Spots and forwards	4.15% to 5.95%	June 15, 2022 to June 15, 2027	17,018.41	98.39	4.15% to 5.95%	June 15, 2021 to June 15, 2027	13,789.85	79.67
- Currency swaps	4.15% to 5.10%	July 14, 2023 to July 18, 2025	2,320.47	(276.95)	4.40% to 5.10%	July 14, 2023 to March 13, 2024	2,320.38	(103.23)
- Cross currency interest rate swaps	3 months LIBOR + 1.95%	August 10, 2023	2,402.33	197.16	3 months LIBOR + 1.95%	August 10, 2023	2,402.33	32.81

53 RISK MANAGEMENT (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets
- Cross currency interest rate swaps	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	685.38	155.82	6 months EURIBOR + 1.15%	April 25, 2026	837.69	49.24
- Cross currency interest rate swaps	6 months LIBOR + 2.50%	June 13, 2022 to December 11, 2026	133.64	5.50	6 months LIBOR + 2.50%	December 13, 2021 to December 11, 2026	147.00	(1.76)
- Cross currency interest rate swaps	-	-	-	-	5.70%	February 28, 2022	2,849.90	101.25
- Cross currency interest rate swaps	SOFR + 2.10%	December 03, 2024	187.35	5.66	-	-	-	-
(ii) Interest rate derivatives:								
- Interest rate swaps	4.15% to 5.95%	October 24, 2022 to July 18, 2025	14,049.63	3.18	4.40% to 5.95%	October 24, 2022 to March 13, 2024	14,047.48	9.72
- Interest rate caps	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	-	13.20	6 months EURIBOR + 1.15%	April 26, 2021 to April 25, 2026	-	1.85
TOTAL			**36,819.40**	**201.40**			**36,431.68**	**169.25**

Price-risk

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In such cases, ineffectiveness may arise if:

(a) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

(b) differences arise between the credit risk inherent within the hedged item and the hedging instrument.

There were no ineffectiveness recognised in the statement of profit and loss.

There were no other sources of ineffectiveness in these hedge relationships.

54 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount remaining unpaid to supplier as at the end of the year	1.48	0.37
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-

54 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR) (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

55 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER LEGAL AND PROFESSIONAL FEES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of senior secured notes of Rs. 0.54 crores (March 31, 2021: Rs. 0.34 crores) shown under Legal and professional fees in note 42 Other expenses.

56 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER SHARE ISSUE EXPENSES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of Qualified institutional placement and preferential issue of equity shares of Rs. 0.33 crores (March 31, 2021: Rs. Nil) netted off against Securities premium under Other equity in note 31 Other equity.

57 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER RIGHT ISSUE EXPENSES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of Right Shares of Rs. Nil crores (March 31, 2021: Rs. 0.27 crores) netted off against Securities premium under Other equity in note 31 Other equity.

58 SEGMENT REPORTING

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Operating Segments.

59 TRANSFER OF FINANCIAL ASSETS

Note 59.01: Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Securitisation		
Carrying amount of transferred assets measured at amortised cost (held as collateral)	21,120.76	25,890.69
Carrying amount of associated liabilities (Borrowings (other than debt securities)- measured at amortised cost)	19,538.08	23,403.60
Fair value of assets	21,105.47	25,756.51
Fair value of associated liabilities	19,765.43	23,960.23
Net position at fair value	**1,340.04**	**1,796.28**

59 TRANSFER OF FINANCIAL ASSETS (Contd.)

Note 59.02: Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	1,599.67	1,300.31
Carrying amount of exposures retained by the Company at amortised cost	159.97	130.03

Note 59.03: Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

60 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Resource mobilisation	36.63	23.03
Total	**36.63**	**23.03**

Remittances in foreign currencies

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Right issue expenses	-	0.26
Total	**-**	**0.26**

61 DETAILS OF CSR EXPENSES

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by the Company during the year	69.12	62.91
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	69.72	64.96
Yet to be paid in cash	-	-
Total	**69.72**	**64.96**

There is no shortfall in the CSR amount required to be spent by the Company as per section 135(5) of the Act for the financial years ended March 31, 2022 and March 31, 2021.

CSR activities include Education, Preservation of Art, Culture and Heritage, Preventive Healthcare, Scholarship Scheme, Training and Skill Development, Road Safety Awareness Program, Contribution towards Primary, Secondary and Higher Education and other activities which are specified under Schedule VII of Companies Act, 2013.

The Company has neither made any CSR Contributions towards its related parties nor recorded any provision for CSR expenditure during the financial years ended March 31, 2022 and March 31, 2021.

62 MOVEMENT IN PROVISIONS

(Rs. in crores)

Particulars	As at March 31, 2021	Additional provision made during the year	Utilisation/reversal during the year	As at March 31, 2022
Provision for taxes- contested	92.75	-	1.82	90.93

(Rs. in crores)

Particulars	As at April 01, 2020	Additional provision made during the year	Utilisation/reversal during the year	As at March 31, 2021
Provision for taxes- contested	92.75	-	-	92.75

The above provisions relate to disputed tax demands in relation to VAT and Service tax. Due to the very nature of such provisions and the litigations involved, it is not possible to estimate the timing/ uncertainties relating to their outflows.

63 NOTE ON COVID

The significant increase in economic activities post easing of lockdown by the state governments due to COVID-19 had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2022, the Company has written off Rs. 799.92 crores by utilising the ECL provision created as management overlay on account of COVID-19. The ECL provision of Rs. 2,052.58 crores is retained by the company as at March 31, 2022 towards management overlay on account of COVID-19.

The additional ECL provision retained on account of COVID-19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

64 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date.

65 FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 3,354.44 crores (March 31, 2021: Rs. 2,003.76 crores) in favour of trustees representing the public deposit holders of the Company.

66

The Company invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020 and May 5, 2021. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.

66.01 Disclosure on Resolution Framework 2.0 implemented in terms of RBI notification no. RBI/2020-21/16 DOR. NO.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021

(Rs. in crores)

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half- year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans #	974.96	40.01	1.98	162.95	770.01
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**974.96**	**40.01**	**1.98**	**162.95**	**770.01**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
pertains to automobile loans

66.02 Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP.BC/4/21.04.048/2020-21 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" having exposure less than or equal to Rs. 25 crores:

(Rs. in crores)

No. of accounts restructured	Amount
2,131	64.32

67 Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr.) vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 in accordance with Note No.63 and provision had been made accordingly. The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection, the Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

68 The Company had credited an ex-gratia amount of Rs. 231.28 crores for the payment of difference between the compound interest and simple interest to the accounts of borrowers in specified loan accounts between March 1, 2020 and August 31, 2020 as per the eligibility criteria and other features as mentioned in the notification dated October 23, 2020 issued by Government of India, Ministry of Finance, Department of Financial Services. The Company had filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification and same was received on March 31, 2021.

69 In accordance with the instructions in aforementioned RBI circular dated April 07, 2021, and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021, the Company had put in place a Board approved policy to refund/ adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to the eligible borrowers under the abovementioned circular and advisory during the financial year ended March 31, 2021. The Company had estimated the benefit to be extended to the eligible borrowers at Rs. 36.54 crores and created a liability / credited the Borrower's account towards the estimated interest relief and reduced the same from the interest income of the financial year March 31, 2021.

70 Refer note 6.2.i. Revenue from operations for the circumstances in which revenue recognition has been postponed pending uncertainty of realisation.

71 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

72 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

73 COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

74 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Board of Directors of the Company in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The said Scheme is effective upon approval of shareholders, creditors, Hon'ble National Company Law Tribunal, Reserve Bank of India and other regulatory and statutory approvals as applicable with an appointed date as of April 01, 2022. The Company has already initiated process for the approval of the Scheme by various statutory authorities. The Company has already received Observation letters dated March 15, 2022 and March 16, 2022 from BSE Limited (designated Stock Exchange) and National Stock Exchange of India Ltd. respectively. The financial statements are for the year ended March 31, 2022, which is prior to the appointed date i.e. April 01, 2022 and as such the approval/implementation of Scheme has no implications on these financial statements.

75 UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

76 UNDISCLOSED INCOME

There are no transactions not recorded in the books of accounts.

77 POLICY FOR SALES OUT OF AMORTISED COST BUSINESS MODEL PORTFOLIOS

The Company's policy for sales out of amortised cost business model portfolios is given at note 6.1.x. of significant accounting policies.

78 CHANGE IN POLICY FOR IMPAIRMENT OF FINANCIAL INSTRUMENTS

The Company had been fully providing for the underlying loans net of its estimated realisable value in respect of which collaterals had been repossessed and not sold for more than 12 months till June 30, 2021. During the quarter ended September 30, 2021, the Company had revised its policy to fully provide for the underlying loans net of its estimated realisable value in respect of which collaterals had been repossessed and not sold for more than 6 months. Had it continued to follow the earlier policy, impairment of financial instruments for the year ended March 31, 2022 would have been lower by Rs. 30.49 crores and profit before tax for the same period would have been higher by Rs. 30.49 crores.

79 CHANGE IN THE PROCESS OF NPA CLASSIFICATION

Pursuant to RBI circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications, the Company has revised its process of NPA classification to flagging of the borrower accounts as overdue as part of the day-end processes for the due date. Had the Company followed the earlier method, the profit before tax for the year ended on March 31, 2022 would have been higher by Rs. 407.65 crores.

80 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

81 TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE COMPANY

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021.

82 ANALYTICAL RATIOS

(Rs. in crores)

Particulars	As at March 31, 2022			As at March 31, 2021	% Variance	Reasons for variance (if above 25%)
	Numerator	Denominator	Ratio	Ratio		
Capital to risk-weighted assets ratio (CRAR)	25,898.33	112,756.33	22.97%	22.50%	2.08%	NA
Tier I CRAR	23,335.32	112,756.33	20.70%	19.94%	3.79%	NA
Tier II CRAR	2,563.01	112,756.33	2.27%	2.56%	-11.21%	NA
Liquidity Coverage Ratio	2,577.66	1,733.49	148.70%	482.97%	-69.21%	The reason for variance above 25% is the change in methodology for calculation of LCR as mentioned in note 88.

83 DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

84 DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

85 WILFUL DEFAULTER

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

86 RELATIONSHIP WITH STRUCK OFF COMPANIES

Transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2022 and March 31, 2021 are given below:

(Rs. in crores)

Name of the struck off company	Balance outstanding as at		Relationship with the Struck off company
	March 31, 2022*	March 31, 2021*	
Receivables (Loans outstanding)			
ARRR Constructions Chennai Private Limited	0.02	0.04	Borrower
Kanta Tours and Travels Private Limited	-	0.14	Borrower
Pulse Electrical Solutions India Private Limited	-	0.01	Borrower
Rentacomfort Tours N Travels Private Limited	-	0.23	Borrower
Swift Equipments Private Limited	0.95	1.00	Borrower
Skilltech Services Private Limited	0.02	0.08	Borrower
VMK Infrastructure Projects India Private Limited	-	0.12	Borrower
Payables (Borrowings outstanding)			
Intercon Overseas Pvt Ltd	-	0.15	Deposit holder
Shares held by struck off company**			
Nasik Capital And Financial Services Private Limited	0.00	0.00	Equity shareholder
Rasi Leasing Company Private Limited	0.00	0.00	Equity shareholder

*0.00 denotes amounts less than Rs. 1.00 lacs

**In the financial years ended March 31, 2022 and March 31, 2021, the Company did not have any transaction with above equity shareholders, being the companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. Our Company has not allotted any Equity share to the said companies. The shareholding data is as per the record of beneficiary position downloaded by the Registrar and Transfer Agent of the Company from the database maintained by the depositories and reported to us for the purpose of this disclosure.

87 DISCLOSURE OF RESTRUCTURED ACCOUNTS

(Rs. in crores)

Sr. No.	Type of restructuring		Others									
	Financial year		Year ended March 31, 2022					Year ended March 31, 2021				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	**Restructured accounts as on April 1**	**No. of borrowers**	**8,626**	**21,229**	**4,517**	**763**	**35,135**	**6,163**	**15,660**	**2,508**	**576**	**24,907**
		Amount outstanding	**271.50**	**767.88**	**425.87**	**81.86**	**1,547.11**	**229.66**	**693.72**	**269.97**	**39.53**	**1,232.88**
		Provision thereon	**43.40**	**329.99**	**173.41**	**31.62**	**578.42**	**19.68**	**238.22**	**92.97**	**12.91**	**363.78**
2	Fresh restructuring during the year	No. of borrowers	-	38,956	701	38	**39,695**	-	20,796	541	67	**21,404**
		Amount outstanding	-	1,191.55	61.56	4.00	**1,257.11**	-	756.37	45.67	6.13	**808.17**
		Provision thereon	-	517.79	28.75	1.75	**548.29**	-	321.10	19.31	2.59	**343.00**
3	Upgradation	No. of borrowers	13,490	(12,338)	(1,076)	(76)	-	8,626	(8,136)	(391)	(99)	-
		Amount outstanding	459.10	(397.93)	(56.64)	(4.53)	-	327.92	(294.90)	(26.60)	(6.42)	-
		Provision thereon	197.90	(171.95)	(24.10)	(1.85)	-	108.48	(96.89)	(9.33)	(2.26)	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	(4,355)	-	-	-	**(4,355)**	(4,563)	-	-	-	**(4,563)**
		Amount outstanding	(167.18)	-	-	-	**(167.18)**	(184.32)	-	-	-	**(184.32)**
		Provision thereon	(23.77)	-	-	-	**(23.77)**	(13.67)	-	-	-	**(13.67)**
5	Downgradation of restructured accounts during the year	No. of borrowers	-	(1,082)	696	386	-	-	(3,148)	2,735	413	-
		Amount outstanding	-	(71.00)	22.73	48.27	-	-	(244.77)	194.27	50.50	-
		Provision thereon	-	(29.60)	10.57	19.03	-	-	(83.85)	66.76	17.09	-
6	Write-offs of restructured accounts during the year	No. of borrowers	(4,271)	(8,200)	(2,282)	(363)	**(15,116)**	(1,600)	(3,943)	(876)	(194)	**(6,613)**
		Amount outstanding	(206.55)	(294.98)	(219.85)	(32.58)	**(753.96)**	(101.76)	(142.54)	(57.44)	(7.88)	**(309.62)**
		Provision thereon	(171.83)	(118.89)	(56.10)	3.99	**(342.83)**	(71.09)	(48.59)	3.70	1.29	**(114.69)**
7	**Restructured accounts as on March 31**	**No. of borrowers**	**13,490**	**38,565**	**2,556**	**748**	**55,359**	**8,626**	**21,229**	**4,517**	**763**	**35,135**
		Amount outstanding	**356.87**	**1,195.52**	**233.67**	**97.02**	**1,883.08**	**271.50**	**767.88**	**425.87**	**81.86**	**1,547.11**
		Provision thereon	**45.70**	**527.34**	**132.53**	**54.54**	**760.11**	**43.40**	**329.99**	**173.41**	**31.62**	**578.42**

Note:

i. The outstanding amount and number of borrowers as at March 31, 2022 and March 31, 2021 is after considering recoveries during the period.

ii. Additional facilities availed by borrowers or addition in outstanding balance in existing restructured accounts and partial repayments in existing restructured accounts are adjusted and disclosed under "Write-offs of restructured accounts", however, for the purpose of arithmetical accuracy the number of existing borrowers availing additional facility or partial repayments have been ignored.

iii. The Company has classified all the restructured accounts under stage 3 for ECL Calculations under Ind AS and Provision for Impairment Loss on all the restructured accounts have been provided in the books accordingly.

iv. Since the disclosure of restructured accounts pertains to section "Others", the first two sections namely "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per the format prescribed in the Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit Taking Company (Reserve Bank) Directions 2016 as amended are not included above.

v. For the purpose of arithmetical accuracy, movement in provisions in the existing restructured account as compared to balance of provision as disclosed in opening balance and fresh restructuring on account sale/recovery/settlement (for any change in provision) is adjusted and disclosed under "Write-offs of restructured accounts" during the year.

vi. The above disclosure does not include one-time restructuring implemented as prescribed in the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 Resolution Framework for COVID-19-related Stress and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated May 05, 2021.

88 LIQUIDITY COVERAGE RATIO DISCLOSURE

Disclosure as per the circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 issued by Reserve Bank of India on "Liquidity Coverage Ratio (LCR)"

(Rs. in crores)

Particulars	As at March 31, 2022		As at December 31,2021		As at September 30, 2021		As at June 30,2021		As at March 31, 2021	
	Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#
High Quality Liquid Assets										
1 Total High Quality Liquid Assets (HQLA)	3,155.38	2,577.66	2,753.06	2,238.25	2,593.71	2,110.32	2,462.56	2,034.76	6,678.54	6,285.05
Cash Outflows										
2 Deposits (for deposit taking companies)	715.45	822.77	672.05	772.86	606.86	697.89	430.17	494.69	380.69	437.80
3 Unsecured wholesale funding	52.65	60.55	558.05	641.76	525.91	604.80	474.56	545.74	101.72	116.98
4 Secured wholesale funding	4,659.14	5,358.01	2,833.38	3,258.39	4,220.16	4,853.18	3,809.07	4,380.43	3,307.37	3,803.47
5 Additional requirements, of which	-	-	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	474.20	545.34	538.14	618.87	412.82	474.74	449.33	516.73	583.14	670.61
7 Other contingent funding obligations	128.07	147.28	117.03	134.59	125.68	144.53	139.05	159.91	153.43	176.45
8 TOTAL CASH OUTFLOWS	**6,029.51**	**6,933.95**	**4,718.65**	**5,426.47**	**5,891.43**	**6,775.14**	**5,302.18**	**6,097.50**	**4,526.35**	**5,205.31**
Cash Inflows										
9 Secured lending	-	-	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	3,865.47	2,899.10	3,660.64	2,745.48	3,574.32	2,680.74	3,539.03	2,654.27	3,978.22	2,983.67
11 Other cash inflows	10,829.56	8,122.17	11,372.63	8,529.47	10,038.38	7,528.79	10,084.04	7,563.03	2,731.08	2,048.31
12 TOTAL CASH INFLOWS	**14,695.03**	**11,021.27**	**15,033.27**	**11,274.95**	**13,612.70**	**10,209.53**	**13,623.07**	**10,217.30**	**6,709.30**	**5,031.98**
		Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13 TOTAL HQLA		2,577.66		2,238.25		2,110.32		2,034.76		6,285.05
14 TOTAL NET CASH OUTFLOWS		1,733.49		1,356.62		1,693.79		1,524.38		1,301.33
15 LIQUIDITY COVERAGE RATIO (%)		148.70%		164.99%		124.59%		133.48%		482.97%

88 LIQUIDITY COVERAGE RATIO DISCLOSURE (Contd.)

*Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI, which has been relied upon by the auditors.

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All non-deposit taking NBFCs with asset size of Rs.10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching a level upto 60%, 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively. The Company has implemented the LCR framework and has maintained LCR well above the regulatory threshold for all the quarters.

LCR comprises of HQLAs as numerator and net cash outflows in 30 days as denominator.

The average LCR for the quarter ended March 31, 2021 is computed as simple averages of monthly observations over the previous quarter (i.e. average of three months ie. January 2021, February 2021 and March 2021 for the quarter ended March 31, 2021).

The average LCR for the quarter ended June 30, 2021 onwards is computed as simple averages of daily observations over the previous quarter (i.e. daily average of the quarter ended June 30, 2021, September 30, 2021, December 31, 2021 and March 31, 2022).

89 ASSET CLASSIFICATION AS PER RBI NORMS

Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020 pertaining to Asset classification as per RBI Norms:

(Rs. in crores)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	For the year ended March 31, 2022					For the year ended March 31, 2021				
		Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
Performing assets											
Standard	Stage 1	103,492.98	3,381.35	100,111.63	429.51	**2,951.84**	93,915.66	3,046.35	90,869.31	382.15	**2,664.20**
	Stage 2	13,318.50	1,211.03	12,107.47	107.54	**1,103.49**	13,983.12	1,356.07	12,627.05	111.52	**1,244.55**
Subtotal		**116,811.48**	**4,592.38**	**112,219.10**	**537.05**	**4,055.33**	**107,898.78**	**4,402.42**	**103,496.36**	**493.67**	**3,908.75**
Non-Performing Assets (NPA)											
Substandard	Stage 3	6,863.72	3,171.79	3,691.93	672.60	**2,499.19**	5,249.54	2,247.21	3,002.33	514.44	**1,732.77**
Doubtful - up to 1 year	Stage 3	632.27	368.08	264.19	259.34	**108.74**	1,460.22	607.31	852.91	539.43	**67.88**
1 to 3 years	Stage 3	465.30	307.09	158.21	265.23	**41.86**	385.78	154.63	231.15	194.19	**(39.56)**
More than 3 years	Stage 3	-	-	-	-	**-**	-	-	-	-	**-**
Subtotal for doubtful		**1,097.57**	**675.17**	**422.40**	**524.57**	**150.60**	**1,846.00**	**761.94**	**1,084.06**	**733.62**	**28.32**
Loss	Stage 3	926.26	594.54	331.72	846.52	**(251.98)**	1,197.27	476.98	720.29	1,051.73	**(574.75)**
Subtotal for NPA		**8,887.55**	**4,441.50**	**4,446.05**	**2,043.69**	**2,397.81**	**8,292.81**	**3,486.13**	**4,806.68**	**2,299.79**	**1,186.34**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,196.69	42.70	1,153.99	-	**42.70**	1,301.27	48.71	1,252.56	-	**48.71**
	Stage 2	-	-	-	-	**-**	-	-	-	-	**-**
	Stage 3	3.00	3.00	-	-	**3.00**	2.39	2.39	-	-	**2.39**
Subtotal		**1,199.69**	**45.70**	**1,153.99**	**-**	**45.70**	**1,303.66**	**51.10**	**1,252.56**	**-**	**51.10**
Total	**Stage 1**	**104,689.67**	**3,424.05**	**101,265.62**	**429.51**	**2,994.54**	**95,216.93**	**3,095.06**	**92,121.87**	**382.15**	**2,712.91**
	Stage 2	**13,318.50**	**1,211.03**	**12,107.47**	**107.54**	**1,103.49**	**13,983.12**	**1,356.07**	**12,627.05**	**111.52**	**1,244.55**
	Stage 3	**8,890.55**	**4,444.50**	**4,446.05**	**2,043.69**	**2,400.81**	**8,295.20**	**3,488.52**	**4,806.68**	**2,299.79**	**1,188.73**
	Total	**126,898.72**	**9,079.58**	**117,819.14**	**2,580.74**	**6,498.84**	**117,495.25**	**7,939.65**	**109,555.60**	**2,793.46**	**5,146.19**

90 LIQUIDITY RISK

Public Disclosure on Liquidity Risk for the year ended March 31, 2022 pursuant to RBI circular dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding concentration based on significant counterparty[1] (both deposits and borrowings)

Particulars	Number of significant counterparties	Amount (Rs. in crores)*	% of Total deposits	% of Total liabilities[3]
As at March 31, 2022	13	39,594.35	180.39%	34.08%
As at March 31, 2021	15	41,422.30	255.18%	38.31%

*Includes securitisation liabilities exposure

(ii) Top 20 large deposits (amount in Rs. in crore and % of total deposits)

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total amount of top 20 large deposits	1,793.23	960.78
Percentage of amount of top 20 large deposits to total deposits	8.17%	5.92%

(iii) Top 10 borrowings (amount in Rs. in crore and % of total borrowings)

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total amount of top 10 borrowings *	35,696.58	33,619.61
Percentage of amount of top 10 borrowings to total borrowings	31.18%	31.66%

*Includes securitisation liabilities exposure

(iv) Funding concentration based on significant instrument/product[2]

(Rs. in crores)

Sr. No.	Name of the instrument/product	As at March 31, 2022		As at March 31, 2021	
		Amount	% of Total liabilities[3]	Amount	% of Total liabilities[3]
1	Redeemable non-convertible debentures (secured and unsecured)	21,353.86	18.38%	21,393.97	19.79%
2	External commercial bond	19,011.29	16.36%	17,779.55	16.45%
3	Term loan from banks	16,755.62	14.42%	13,304.70	12.31%
4	Term loan from financial institutions/ corporates	5,685.24	4.89%	3,783.20	3.50%
5	External commercial borrowing	4,243.13	3.65%	4,122.49	3.81%
6	Other loans - Securitisation liabilities	19,538.08	16.82%	23,403.60	21.65%
7	Deposits	21,948.98	18.89%	15,790.71	14.61%
8	Subordinated debts	4,614.25	3.97%	4,620.76	4.27%

(v) Stock ratios:

Sr. No.	Particulars	As at March 31, 2022			As at March 31, 2021		
		as a % of Total public funds[4]	as a % of Total liabilities[3]	as a % of Total assets	as a % of Total public funds[4]	as a % of Total liabilities[3]	as a % of Total assets
(a)	Commercial papers	-	-	-	-	-	-
(b)	Non-convertible debentures (original maturity of less than one year)	-	-	-	-	-	-
(c)	Other short-term liabilities[5]	4.66%	4.58%	3.75%	4.27%	4.19%	3.49%

90 LIQUIDITY RISK (Contd.)

(vi) Institutional set-up for liquidity risk management

Refer note 53.01.01: Risk management structure and 53.03: Liquidity risk and funding management for institutional set-up for liquidity risk management.

Notes:

1) Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
2) Significant instrument/product is defined as a single instrument/product of group of similar instruments/ products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
3) Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).
4) Public funds include funds raised either directly or indirectly through public deposits, inter-corporate deposits (except from associate), deposits from corporates (except from associate), bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.
5) Other short-term liabilities include all short-term borrowings other than Commercial papers and Non-convertible debentures with original maturity less than one year.
6) The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2022 and March 31, 2021.

Additional disclosures required by the Reserve Bank of India (RBI)

91 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Instruments	Credit rating agency	As at March 31, 2022	As at March 31, 2021
Bank Loan Long-term	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
Bank Loan Short-term	CRISIL	CRISIL A1+	CRISIL A1+
Commercial Paper	India Ratings & Research Private Limited	IND A1+	IND A1+
Commercial Paper	CARE Ratings Ltd	CARE A1+	CARE A1+
Commercial Paper	CRISIL	CRISIL A1+	CRISIL A1+
Dual Recourse Bond	India Ratings & Research Private Limited	IND AAA (CE)/Stable	IND AAA (CE)/Stable
Fixed deposit	CRISIL	CRISIL FAAA/ Stable	CRISIL FAAA/ Stable
Fixed deposit	ICRA	MAA+ with Stable outlook	MAA+ with Stable outlook
Local Currency Long Term Issuer Default Rating	Fitch Ratings	BB/ Stable Outlook	BB/ Negative Outlook
Long Term Principal Protected Market Linked Debentures	CRISIL	CRISIL PPMLD AA+r/ Stable	CRISIL PPMLD AA+r/Stable
Long-Term Issuer Credit Rating	Standard & Poor's Ratings	BB-/ Stable	BB-/ Stable
Long-Term Issuer Default Rating	Fitch Ratings	BB/ Stable Outlook	BB/ Negative Outlook
Non-convertible debentures	CARE Ratings Ltd	CARE AA+/Stable	CARE AA+/Stable
Non-convertible debentures	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
Non-convertible debentures	India Ratings & Research Private Limited	IND AA+/Stable	IND AA+/Stable
Non-convertible debentures	ICRA	-	Provisional [ICRA] AAA (CE) (Stable)
Offshore Rupee Denominated Bond (Masala Bond)	Standard & Poor's Ratings	BB-	BB-
Offshore Rupee Denominated Bond (Masala Bond)	Fitch Ratings	BB	BB

91 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR (Contd.)

Instruments	Credit rating agency	As at March 31, 2022	As at March 31, 2021
Principal Protected Market Linked Debentures (Dual Recourse)	India Ratings & Research Private Limited	IND PP-MLD AAA(CE) emr'/ Stable	IND PP-MLD AAA(CE)emr'/ Stable
Short-Term Issuer Credit Rating	Standard & Poor's Ratings	B	B
Short-Term Issuer Default Rating	Fitch Ratings	B	B
Structured Non-Convertible Debentures	India Ratings & Research Private Limited	-	Provisional IND AAA (CE)/Stable
Subordinated debt	CARE Ratings Ltd	CARE AA+/Stable	CARE AA+/Stable
Subordinated debt	India Ratings & Research Private Limited	IND AA+/Stable	IND AA+/Stable
Subordinated debt	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
U.S. Dollar Senior Secured Notes	Standard & Poor's Ratings	BB-	BB-
U.S. Dollar Senior Secured Notes	Fitch Ratings	BB	BB

92 CAPITAL ADEQUACY RATIO

(Rs. in crores unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Tier I Capital	23,335.32	18,878.91
ii) Tier II Capital	2,563.01	2,426.58
iii) Total Capital	25,898.33	21,305.49
iv) Total Risk Weighted Assets	112,756.33	94,657.78
v) CRAR (%)	22.97	22.50
vi) CRAR - Tier I capital (%)	20.70	19.94
vii) CRAR - Tier II capital (%)	2.27	2.56
viii) Amount of subordinated debt raised as Tier-II capital*	4,676.10	4,726.10
ix) Amount raised by issue of Perpetual debt instruments	-	-

"Tier I capital", "Tier II capital", "Owned fund" and Capital adequacy ratio are calculated as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

* Note:

Discounted value of Rs. 2,640.62 crores (March 31, 2021: Rs. 3,283.04 crores) considered for Tier II capital against the book value of Rs. 4,676.10 crores (March 31, 2021: Rs. 4,726.10 crores).

93 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(1) Value of investments		
(i) Gross value of investments		
(a) In India	6,845.16	3,235.86
(b) Outside India,	-	-
(ii) Provisions for depreciation		
(a) In India	36.00	38.01
(b) Outside India,	-	-
(iii) Net value of investments		
(a) In India	6,809.16	3,197.85
(b) Outside India,	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	38.01	42.23
(ii) Add : Provisions made during the year	-	14.22
(iii) Less : Write-off/write-back of excess provisions during the year	2.00	18.44
(iv) Closing balance	36.00	38.01

94 DERIVATIVES

94.01: Forward rate agreement/Interest rate swap

(Rs. in crores)

Particulars		As at March 31, 2022	As at March 31, 2021
(i)	The notional principal of swap agreements	36,819.39	36,431.68
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swap	-	-
(v)	The fair value of the swap book	201.40	169.25

94.02: Exchange traded interest rate (IR) derivatives : Nil

94.03: Disclosures on risk exposure of derivative

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

The Company has entered into derivative agreement to mitigate the foreign exchange risk and interest rate risk pertaining to external commercial borrowings and foreign currency bonds. The description of risk policies and risk mitigation strategies are disclosed in note 53 of the financial statements.

Quantitative Disclosures

(Rs. in crores)

Particulars		As at March 31, 2022		As at March 31, 2021	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i)	Derivatives (Notional principal amount)				
	For hedging	22,769.76	14,049.63	22,384.20	14,047.48
(ii)	Marked to market positions				
	a) Asset (+)	185.02	16.38	157.68	11.57
	b) Liability (-)	-	-	-	-
(iii)	Credit exposure	-	-	-	-
(iv)	Unhedged exposures	-	-	-	-

95 DISCLOSURES RELATING TO SECURITISATION/DIRECT ASSIGNMENT

95.01: Disclosure as per Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

The information on securitisation of the Company as an originator is given below:

(Rs. in crores)

Sl. No.	Particulars		Non-STC Transactions		STC Transactions #	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
1	No. of SPEs holding assets for securitisation transactions originated by the originator		86	84	1	-
2	Total amount of securitised assets as per books of the SPEs		19,061.78	23,754.07	765.73	-
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		3,781.95	3,808.17	84.46	-
	a)	**Off-balance sheet exposures**				
		• First loss	111.31	132.30	-	-
		• Others	-	-	-	-
	b)	**On-balance sheet exposures**				
		• First loss	2,713.36	2,652.30	46.17	-
		• Others	1,068.59	1,155.87	38.29	-
4	Amount of exposures to securitisation transactions other than MRR		-	-	-	-
	a)	**Off-balance sheet exposures**				
		i) Exposure to own securitisations				
		• First loss	-	-	-	-
		• Others	346.25	726.77	-	-
		ii) Exposure to third party securitisations				
		• First loss	-	-	-	-
		• Others	-	-	-	-
	b)	**On-balance sheet exposures**				
		i) Exposure to own securitisations				
		• First loss				
		• Others	1,953.01	1,925.73	54.02	-
		ii) Exposure to third party securitisations				
		• First loss	-	-	-	-
		• Others	-	-	-	-
5	Sale consideration received for the securitised assets		11,950.46	12,956.41	923.43	-
	Gain/loss on sale on account of securitisation		2,331.79	2,012.63	131.45	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		-	-	-	-
7	Performance of facility provided					
	Credit enhancement (14.11%)					
	(a)	Amount paid	1,675.08	2,137.53	146.47	-
	(b)	Repayment received	1,674.02	959.33	7.99	-
	(c)	Outstanding amount	5,734.96	5,733.90	138.48	-

95 DISCLOSURES RELATING TO SECURITISATION/DIRECT ASSIGNMENT (Contd.)

(Rs. in crores)

Sl. No.	Particulars		Non-STC Transactions		STC Transactions #	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
8	Average default rate of portfolios observed in the past.					
	Vehicle Loans		7.56	8.01	7.56	-
	Others		-	-	-	-
9	Amount and number of additional/top up loan given on same underlying asset.					
	Vehicle Loans		-	-	-	-
	Others		-	-	-	-
10	Investor complaints					
	(a)	Directly/Indirectly received	-	-	-	-
	(b)	Complaints outstanding	-	-	-	-

Simple, transparent and comparable (STC) securitisations as defined in RBI Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021.

95.02: Disclosure as per Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021*

Details of transfer through assignment in respect of loans not in default during the year ended March 31, 2022:

Count of loans accounts assigned	53,252
Amount of loan accounts assigned (Rs. in crores)	1,267.08
Weighted average maturity (in months)	39
Weighted average holding period (in months)	13
Retention of beneficial economic interest	10.00%
Coverage of tangible security	100.00%
Rating wise distribution of rated loans	Not rated

The Company has not acquired any loans not in default through assignment during the financial year ended March 31, 2022.

The Company has neither acquired nor transferred any stressed loans during the year ended March 31, 2022.

*Disclosures are provided for the financial year ended March 31, 2022 as the Master Direction is effective from September 24, 2021.

96 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2022

(Rs. in crores)

Particulars	Upto 0 - 7 days	Upto 8 - 14 days	Upto 15 - 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits *	230.91	119.21	342.61	579.91	607.03	1,901.57	3,056.24	10,673.39	4,520.04	-	**22,030.91**
Advances **	2,068.41	693.90	1,497.28	3,436.81	3,416.21	10,358.59	19,977.17	57,703.76	15,753.24	1,759.78	**116,665.15**
Investments	49.98	106.48	1,310.10	442.19	762.58	113.89	158.46	641.28	529.38	2,694.82	**6,809.16**
Borrowings ***	703.79	1,531.30	1,442.41	1,785.22	4,116.35	4,725.37	11,358.56	29,829.09	5,463.83	8,366.53	**69,322.45**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	243.02	-	85.35	326.71	5,791.35	12,638.18	4,121.61	48.20	**23,254.42**

As at March 31, 2021

(Rs. in crores)

Particulars	Upto 0 - 7 days	Upto 8 - 14 days	Upto 15 - 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits *	154.48	45.49	160.57	205.06	311.49	1,357.74	3,317.24	7,689.84	3,047.65	-	**16,289.56**
Advances **	1,939.49	589.73	1,477.93	3,206.84	3,165.73	9,676.92	17,873.55	51,397.49	15,938.33	3,037.03	**108,303.04**
Investments	-	15.02	29.69	58.78	49.69	134.26	235.76	794.04	169.15	1,711.46	**3,197.85**
Borrowings ***	595.52	1,538.23	1,034.91	2,356.37	2,963.32	8,894.36	12,004.44	24,324.08	8,484.54	5,915.78	**68,111.55**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	246.67	-	22.09	228.76	2,991.55	17,562.32	535.03	315.62	**21,902.04**

* includes deposits from corporates and unclaimed matured deposit.

** net of Impairment loss allowance.

*** excludes deposits which are shown separately and external commercial borrowings and external commercial bond which are shown separately under Foreign currency liabilities.

97 EXPOSURES

97.01: Exposure to real estate sector

The Company has no exposure to real estate sector.

97.02: Exposure to capital market

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	37.26	20.11
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	1.53	1.54
	Total exposure to capital market	**38.79**	**21.65**

97.03: Details of financing of parent company products

The Company does not have any Parent Company, hence not applicable.

97.04: Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the years ended March 31, 2022 and March 31, 2021.

97.05: Unsecured advances

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

98 ADDITIONAL DISCLOSURES

98.01: Provisions and contingencies

(Rs. in crores)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2022	Year ended March 31, 2021
Provisions for depreciation on investment	-	-
Provision towards NPA#	2,560.65	1,298.89
Provision made towards income tax ##	841.32	790.75
Provision for Standard Assets ###	-	-
Other Provision and contingencies		
Provision towards impairment of financial instruments other than provision for stage 3 assets	1,300.21	1,819.51

Provision for stage 3 assets

Provision made towards income tax comprises of current tax, deferred tax and tax adjustment for earlier years.

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets.

98 ADDITIONAL DISCLOSURES (Contd.)

98.02: Draw down from reserves

The draw down from reserves was Rs. Nil.

98.03: Concentration of Deposits, Advances, Exposures and NPAs

98.03.01: Concentration of Deposits (for deposit taking NBFCs)

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total deposits of twenty largest depositors	760.82	730.74
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	3.75%	4.60%

98.03.02: Concentration of advances

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total advances to twenty largest borrowers *	301.02	323.47
Percentage of advances to twenty largest borrowers to total advances of the NBFC *	0.24%	0.28%

* Excludes retained interest on direct assignment Rs. 159.97 crores (March 31, 2021 Rs. 130.03 crores)

98.03.03: Concentration of exposures

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to twenty largest borrowers/customers *	301.02	323.47
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers *	0.24%	0.28%

* Excludes retained interest on direct assignment Rs. 159.97 crores (March 31, 2021 Rs. 130.03 crores)

98.03.04: Concentration of NPAs

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to top four NPA accounts**	154.79	137.21

** NPA accounts refer to stage 3 assets.

98.03.05: Sector-wise NPAs $

Sr. No.	Sector	As at March 31, 2022 Percentage of NPAs to Total Advances in that sector	As at March 31, 2021 Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans #	6.58%	6.33%
7	Others #	26.75%	20.41%

The loans mentioned above include loans given to corporates.

$ NPAs refer to stage 3 assets.

99 MOVEMENT OF NPAs $

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Net NPAs to net advances (%)	3.67%	4.26%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	8,292.81	9,177.08
(b) Additions during the year	7,575.61	5,460.70
(c) Reductions during the year	(6,980.87)	(6,344.97)
(d) Closing balance	**8,887.55**	**8,292.81**
(iii) Movement of Net NPAs		
(a) Opening balance	4,806.68	5,991.13
(b) Additions during the year	4,038.36	3,045.12
(c) Reductions during the year	(4,398.99)	(4,229.57)
(d) Closing balance	**4,446.05**	**4,806.68**
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	3,486.13	3,185.95
(b) Provisions made during the year	3,537.25	2,415.58
(c) Write-off/write-back of excess provisions	(2,581.88)	(2,115.40)
(d) Closing balance	**4,441.50**	**3,486.13**

$ NPAs refer to stage 3 assets.

100 OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

101 OFF-BALANCE SHEET SPVs SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

102 CUSTOMER COMPLAINTS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Number of complaints pending at the beginning of the year	90	28
(b) Number of complaints received during the year	3,662	2,469
(c) Number of complaints redressed during the year	3,687	2,407
(d) Number of complaints pending at the end of the year	65	90

103 INFORMATION ON INSTANCES OF FRAUD

Instances of fraud for the year ended March 31, 2022: (Rs. in crores)

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount written-off
Fraud committed by employees	2	3.14	0.01	-

* includes Rs. 0.01 crores recovered from the fraud cases reported during the year ended March 31, 2020.

103 INFORMATION ON INSTANCES OF FRAUD (Contd.)

Instances of fraud for the year ended March 31, 2021: (Rs. in crores)

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount written-off
Fraud committed by borrowers and outsiders	3	1.05	0.46	-

* includes Rs. 0.10 crores recovered from the fraud cases reported during the year ended March 31, 2020.

104 DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

Details of Penalties levied by various regulators:

No penalties have been levied by any regulator on the Company for the year ended March 31, 2022.

No penalties have been levied by any regulator on the Company for the year ended March 31, 2021.

However, during the financial year ended March 31, 2020, the Company had received an order no SDE/SRO/CEZO-I/02/2020(SK) dated March 4, 2020 passed by the Special Director, Directorate of Enforcement (ED), Southern Regional Office, Chennai imposing a penalty of Rs. 5.00 crores on the Company. The Company had filed a writ petition dated June 4, 2020 before the High Court of Madras, requesting for a stay on the said order dated March 04, 2020 of the ED. On July 01, 2020, the Hon'ble Madras High Court had admitted the Company's writ petition challenging the said order dated March 04, 2020 of the ED and granted interim stay order with the direction to the Company to deposit 25% of the penalty amount in the Court. The Company had deposited Rs. 1.25 crore with the Hon'ble Madras High Court on August 26, 2020. The payment was made without prejudice to the rights and entitlement to the reliefs sought by the Company through the petition filed with the Hon'ble Madras High Court. The Deputy Legal Adviser, Enforcement Directorate had filed an appeal dated October 6, 2020 before the Hon'ble Appellate Tribunal for Foreign Exchange, New Delhi ("Appellate Tribunal") against the said order dated March 4, 2020 of the Special Director of Enforcement. The Company will contest the appeal filed in the Hon'ble Appellate Tribunal in the competent forum to seek appropriate legal remedy.

As per our report of even date
For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary

Mumbai
April 28, 2022

As required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Schedule to the Balance Sheet

(Rs. in crores)

Particulars	As at March 31, 2022	
Liabilities side :	**Amount outstanding**	**Amount overdue**
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debenture : Secured	21,281.77	13.09 #
: Unsecured	85.18	Nil
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	Nil	Nil
(c) Term Loans	41,978.94	Nil
(d) Inter-corporate loans and borrowing	29.14	Nil
(e) Commercial Paper	Nil	Nil
(f) Public Deposits* @	20,301.00	110.92 #
(g) Other Loans - Subordinated debts	4,623.33	9.08 #
- Cash Credit	454.86	Nil
- Deposits from corporates	1,729.91	0.15 #
- Senior secured notes	891.40	Nil
- External commercial borrowing- Secured	4,243.13	Nil
- External commercial bond -Secured	19,011.29	Nil
@ excludes deposits from corporates		
*Please see note 1 below		
# Represent amounts unclaimed		

(Rs. in crores)

(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	**Amount outstanding**	**Amount overdue**
(a) In the form of Unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits @	20,301.00	110.92 #
@ excludes deposits from corporates		
*Please see note 1 below		
# Represent amounts unclaimed		

(Rs. in crores)

Assets side :	**Amount outstanding**
(3) Break-up of loans and advances including bills receivables (other than those included in (4) below):	
(a) Secured	123,999.00
(b) Unsecured	1,700.03

(Rs. in crores)

(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities €	Amount outstanding
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	Nil
(b) Operating lease	Nil
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	Nil
(b) Repossessed Assets	Nil
(iii) Other loans counting towards asset financing activities : €	
(a) Loans where assets have been repossessed	Nil
(b) Loans other than (a) above	Nil

€ The Company has not disclosed amount outstanding under assets financing activities under note 4(iii) and included entire loan amount outstanding under note 3 as RBI has merged Asset Financing Companies, Loan Companies and Investment companies in to a new category "NBFC - Investment and Credit Company" vide its circular no. DNBR (PD) CC. No. 097/03.10.001/2018-19 dated February 22, 2019.

(Rs. in crores)

(5) Break-up of investments : $	Amount outstanding
Current investments :	
1. Quoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debenture and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (Please specify)	Nil
2. Unquoted :	
(i) Shares: (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (Please specify)	Nil
Long term investments :	
1. Quoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	3,154.39
(v) Others (Please specify)	Nil
2. Unquoted :	
(i) Shares: (a) Equity	37.26
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	1,523.02
(iv) Government securities	Nil
(v) Others -Venture capital fund	1.53
Investment in PTC	1,070.88
Investment in certificate of deposits	822.29
Investment in commercial papers	199.79

$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA for NBFCs.

(6) Borrower group-wise classification of assets, financed as in (3) and (4) above :

Please see note 2 below

(Rs. in crores)

	Category	Amount (Net of provisions)	
		Secured	Unsecured
1.	Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
2.	Other than related parties	115,266.44	1,398.71
	Total	**115,266.44**	**1,398.71**

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): $

Please see note 3 below

(Rs. in crores)

	Category	Market Value / Break up or fair value or NAV*	Book Value (Net of Provisions)
1.	Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	74.02	13.37
	(c) Other related parties	Nil	Nil
2.	Other than related parties	6,608.55	6,795.79
	Total	**6,682.57**	**6,809.16**

* Disclosure is made in respect of available information.

** As per Indian Accounting Standard issued by MCA (Please see note 3)

$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA.

(8) Other information

(Rs. in crores)

Sr. No.	Particulars	Amount
(i)	Gross non-performing assets ¥	
	(a) Related parties	Nil
	(b) Other than related parties	8,887.55
(ii)	Net non-performing assets ¥	
	(a) Related parties	Nil
	(b) Other than related parties	4,446.05
(iii)	Assets acquired in satisfaction of debt	Nil

¥ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes :

1. As defined in point xxvii of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All notified Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as amortised cost or at fair value (5) above.

FORM AOC-1

(Pursuant to first proviso to sub- section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part A: Subsidiaries

The Company does not have any subsidiary.

Part B: Associates and joint venture (Refer note 45)

Sr. No.	Particulars - Associate	Shriram Automall India Limited
1	**Latest Audited Balance Sheet Date**	March 31, 2022
2	**Shares of associate held by the Company on the year end**	
	No.	13,369,565
	Amount of investment in associate (Rs. in crores)	13.37
	Extent of holding %	44.56
3	**Description of how there is significant influence**	By virtue of holdings being 20% or more - Associate Company
4	**Reason why the associate is not consolidated**	N.A.
5	**Networth attributable to shareholding as per latest audited Balance Sheet (Rs. in crores)***	184.41
6	**Profit/(Loss) for the year (Rs. in crores)***	
	i Considered in consolidation	13.17
	ii Not Considered in consolidation	16.39

The Company does not have any joint venture.

*on consolidated basis

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary
Mumbai
April 28, 2022

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

CONSOLIDATED ACCOUNTS

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To the Members of
Shriram Transport Finance Company Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying consolidated financial statements of Shriram Transport Finance Company Limited ("the Holding Company" or "the Parent" or "the Company") and its associate, which comprise the consolidated balance sheet as at 31 March 2022 and the consolidated statement of profit & loss (including other comprehensive income), the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of such associate as were audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Parent and its associate as at 31 March 2022, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Parent and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Emphasis of Matter

4. We draw attention to Note 63 to the Consolidated financial statements which describes the facts that the additional Expected Credit Loss (ECL) provision on account of COVID–19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment, and other emerging forward-looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. Further, the extent to which the COVID–19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. Our Opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the year under report. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial statements.

   A. Impairment Loss Allowance of loans and advances

   (Reference to Note 12 read with Statement of Accounting Policies Note 6.1(xi) and Note No. 63 of the Other Notes forming part of Consolidated Financial statements– Schedule to the Consolidated Financial Statements)

	(Rs. in crores)
Gross Advances	125,699.03
Provisions*	9,033.88
Net Advances	116,665.15
COVID-19 Provision*	2,052.58

(*COVID-19 Provisions - towards management overlay on account of COVID-19 is included in above provisions)

B. Significant estimates and judgment involved

Key Audit Matter

During the year, Reserve Bank of India issued revised guidelines (including clarifications thereon) on Income Recognition and Asset Classification norms ("IRAC"). These guidelines prescribe the prudential norms for identification and classification of such assets as Stage 3 / NPAs.

The Company has applied its judgement to determine the identification and classification of such assets as Stage 3 / NPAs by applying quantitative as well as qualitative factors. The risk of identification of such assets as Stage 3 / NPAs is affected by factors like stress and liquidity concerns of such assets.

Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Company has significant credit risk exposure considering the large loan portfolio across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the asset quality and provision of the Company. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

C. Auditor's Response

Audit Procedures included but were not limited to the following:

We have started our audit procedures with understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.

We also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company which is based on and in compliance with Ind AS 109 "Financial Instruments".

Accordingly, we assessed the approach of the Company regarding definition of Default, Probability of Default (PD), Loss Given Default (LGD) and incorporation of forward-looking information for the calculation of ECL.

For loans and advances which are assessed for impairment on a portfolio basis we performed particularly the following procedures:

- Read the Company's policies for identification, classification and assessing compliance for Stage 3 / NPAs customers in line with the IRAC norms;
- We understood the design, reliability and operating effectiveness of key data inputs and related management controls;
- We performed substantial audit procedure relating to identification and classification of Stage 3 / NPAs by the company.
- We tested the identification / grouping of the loan accounts mapped with the customer code as identified by the management;
- We tested the exception reports generated from the company's software systems where the loan accounts have been recorded.
- We performed analytical procedures to identify possible cases of evergreening of loans and tested these on sample basis.
- We checked the stage classification as at the balance sheet date as per the definition of Default of the Company and Reserve Bank of India circulars issued from time to time;
- We validated the ECL Model and its calculation by involving our Information Technology Expert;
- We have checked on sample basis that the stage classification for the borrowers has been given in accordance with the Resolution Framework issued by Reserve Bank of India (the 'RBI') and the Board approved policy for ECL provisioning and stage classification with respect to such accounts;

- We have verified whether the ECL provision is made in accordance with the Board Approved Policy in this regard;
- We have also calculated the ECL provision manually for selected samples;
- We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information and based on an event in a particular geographical range;
- With respect to additional provision made by the Company on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company; and
- We have assessed disclosure requirements for classification and identification of Stage 3/ NPAs in accordance with RBI circulars including those issued specifically issued for COVID-19 related matters.

For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regards along with its compliance on sample basis.

Other Information

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report like Management Discussion and Analysis, Director's Report and Corporate Governance Report, but does not include the Consolidated Financial Statements and our auditors' report thereon. The Other Information which we obtained prior to the date of this auditor's report, and Annual Report, which is expected to be made available to us after that date.

8. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

9. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Consolidated Financial Statements

10. The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements, that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Parent including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

11. The respective Board of Directors of the Parent and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Parent and of its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

12. In preparing the Consolidated Financial Statements, the respective Board of Directors of the Parent and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Parent or to cease operations, or has no realistic alternative but to do so.

13. The respective Board of Directors of the Parent and of its associate are responsible for overseeing the financial reporting process of the Parent and of its associate.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

14. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

15. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    15.1 Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    15.2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.

    15.3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

    15.4 Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Parent and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent and its associate to cease to continue as a going concern.

    15.5 Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

    15.6 Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Parent and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

16. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

18. From the matters communicated with those charged with governance, we determine those matters that were

of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

19. The Consolidated Financial Statements include the Holding Company's share of net profit of Rs. 13.17 crore and share of Total comprehensive income of Rs. 13.15 crore for the year ended 31 March 2022, as considered in the Consolidated Financial Statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

20. The comparative financial Statements of the Company for the year ended 31 March 2021 included in Consolidated Financial Statements, were audited by the then Joint statutory auditors "Haribhakti & Co. LLP, Chartered Accountants" and "Pijush Gupta & Co., Chartered Accountants" whose reports dated 29 April 2021 expressed an unmodified opinion on those consolidated financial statements. Our opinion is not modified in respect of this matter.

21. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

22. As required by section 143(3) of the Act, based on our audit and on the consideration of audit reports of the other auditors on separate financial statements of such associate as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

22.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

22.2. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

22.3. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

22.4. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

22.5. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Holding Company and its associate company incorporated in India are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

22.6. With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Holding Company and associate company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

22.7. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

23. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the other auditors on separate financial statements of such associate, as noted in the 'Other Matters' paragraph:

23.1. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Parent and its associate– Refer Note 49 to the consolidated financial statements.

23.2. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the Consolidated Financial Statements in respect of such items as it relates to the Parent and its associate.

23.3. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and/or its associate company incorporated in India during the year ended 31 March 2022.

23.4. (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has also represented to us, to the best of its knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause 23.4 (a) and 23.4 (b) contain any material misstatement.

23.5. As stated in Note 30 to the Consolidated Financial Statements

a) The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

c) The Board of Directors of the Company have not proposed final dividend for the year. As such the interim dividend aggregating to Rs. 20/-per share (i.e. 200 %) shall be the final dividend for the financial year 2021-22 . The amount of dividend declared is in accordance with section 123 of the Act, as applicable.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
Membership Number: 217914
UDIN: 22217914AHYPMQ3382

Place: Mumbai
Date: 28 April 2022

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm Registration Number - 105146W/W- 100621

Gautam Shah
Partner
Membership Number: 117348
UDIN: 22117348AHYPZE3273

Place: Mumbai
Date: 28 April 2022

Annexure "A" to the Independent Auditor's report on the Consolidated Financial Statements of Shriram Transport Finance Company Limited for the year ended 31 March 2022

(Referred to in paragraph 22.6 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Opinion

1. We have audited the internal financial controls with reference to the Consolidated Financial Statements of Shriram Transport Finance Company Limited ("the Holding Company") and its associate company, which are companies incorporated in India, as at 31 March 2022 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.
2. In our opinion, the Holding Company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI") ("the Guidance Note").

Management's responsibility for Internal Financial Controls

3. The respective management of the Holding Company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

4. Our responsibility is to express an opinion on the Holding Company and its associate, which are companies incorporated in India, internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Consolidated Financial Statements were established and maintained and whether such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its associate's the internal financial controls with reference to the Consolidated Financial Statements.

Meaning of Internal Financial controls with reference to the Consolidated Financial Statements

7. A company's internal financial controls with reference to the Consolidated Financial Statements is a process

designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Consolidated Financial Statements

8. Because of the inherent limitations of internal financial controls with reference to the Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls system with reference to the Consolidated Financial Statements in so far as it relates to one associate company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such associate incorporated in India.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
Membership Number: 217914
UDIN: 22217914AHYPMQ3382

Place: Mumbai
Date: 28 April 2022

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm Registration Number - 105146W/W- 100621

Gautam Shah
Partner
Membership Number: 117348
UDIN: 22117348AHYPZE3273

Place: Mumbai
Date: 28 April 2022

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

(Rs. in crores)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	8	10,662.44	11,050.93
(b) Bank balance other than (a) above	9	5,692.72	5,390.89
(c) Derivative financial instruments	10	201.40	169.25
(d) Receivables	11		
(I) Trade receivables		5.35	8.92
(II) Other receivables		192.67	49.90
(e) Loans	12	116,665.15	108,303.04
(f) Investments	13	6,971.23	3,346.77
(g) Other financial assets	14	51.45	49.03
Total financial assets		**140,442.41**	**128,368.73**
(2) Non-financial Assets			
(a) Current tax assets (net)	15	228.24	171.73
(b) Deferred tax assets (net)	43	869.38	639.14
(c) Investment property	16	1.97	2.00
(d) Property, plant and equipment	17	110.56	124.44
(e) Right-of-use assets	18	302.52	308.51
(f) Other intangible assets	19	3.04	2.39
(g) Other non-financial assets	20	310.04	293.32
Total non-financial assets		**1,825.75**	**1,541.53**
Total assets		**142,268.16**	**129,910.26**
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables			
(I) Trade payables	21		
(i) total outstanding dues of micro enterprises and small enterprises		0.02	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		166.01	152.52
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		1.46	0.37
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.21	0.54
(b) Debt securities	22	41,256.55	40,061.87
(c) Borrowings (other than debt securities)	23	46,676.93	45,281.37
(d) Deposits	24	21,948.98	16,232.41
(e) Subordinated liabilities	25	4,614.25	4,620.76
(f) Lease liabilities	18	349.43	349.49
(g) Other financial liabilities	26	859.64	1,149.82
Total financial liabilities		**115,874.48**	**107,849.15**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	27	36.82	102.02
(b) Provisions	28	138.18	142.54
(c) Other non-financial liabilities	29	124.42	99.26
Total non-financial liabilities		**299.42**	**343.82**
Total liabilities		**116,173.90**	**108,192.97**
(3) Equity			
(a) Equity share capital	30	270.52	253.06
(b) Other equity	31	25,823.74	21,464.23
Total equity		**26,094.26**	**21,717.29**
Total liabilities and equity		**142,268.16**	**129,910.26**

See accompanying notes to the consolidated financial statements

As per our report of even date

For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary

Mumbai
April 28, 2022

(Rs. in crores)

	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
	Revenue from operations			
	(i) Interest income	32	18,646.26	17,128.14
	(ii) Dividend income		-	-
	(iii) Rental income		0.17	0.21
	(iv) Fees and commission income	33	100.08	115.86
	(v) Net gain on fair value changes	34	221.70	21.80
	(vi) Net gain on derecognition of financial instruments under amortised cost category		217.74	58.85
	(vii) Other operating income	35	69.22	95.59
(I)	**Total Revenue from operations**		**19,255.17**	**17,420.45**
(II)	**Other Income**	36	19.06	15.95
(III)	**Total Income (I + II)**		**19,274.23**	**17,436.40**
	Expenses			
	(i) Finance cost	37	9,734.31	9,054.26
	(ii) Fees and commission expenses	38	91.74	78.89
	(iii) Impairment on financial instruments	39	3,860.86	3,118.40
	(iv) Employee benefits expenses	40	997.09	906.25
	(v) Depreciation, amortisation and impairment	41	135.37	137.36
	(vi) Other expenses	42	905.61	863.23
(IV)	**Total Expenses**		**15,724.98**	**14,158.39**
(V)	**Profit before exceptional items and tax (III - IV)**		**3,549.25**	**3,278.01**
(VI)	**Exceptional items**		-	-
(VII)	**Profit before tax (V+ VI)**		**3,549.25**	**3,278.01**
(VIII)	**Tax expense:**			
	(1) Current tax	43	1,112.57	1,197.77
	(2) Deferred tax	43	(188.93)	(545.36)
	(3) Tax adjustment for earlier years	43	(82.32)	138.34
(IX)	**Profit for the year from continuing operations (VII-VIII)**		**2,707.93**	**2,487.26**
(X)	Share of profit of associate		13.17	11.57
(XI)	**Profit for the year (IX + X)**		**2,721.10**	**2,498.83**
(XII)	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) on defined benefit plan		(3.24)	-
	Share of other comprehensive income from associates		(0.03)	0.27
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.82	-
	Tax on share of other comprehensive income from associates		0.01	(0.07)
	Subtotal (A)		**(2.44)**	**0.20**
	B (i) Items that will be reclassified to profit or loss			
	Cash flow hedge			
	Gain/(loss) on effective portion of hedging instruments in a cash flow hedge		(160.87)	(124.31)
	(ii) Income tax relating to items that will be reclassified to profit or loss		40.49	31.29
	Subtotal (B)		**(120.38)**	**(93.02)**
	Other comprehensive income (A + B)		**(122.82)**	**(92.82)**
(XIII)	**Total Comprehensive income for the year (XI + XII)**		**2,598.28**	**2,406.01**
(XIV)	**Earnings per equity share (face value Rs. 10/- per equity share)**			
	Basic (Rs.)	44	102.23	101.44
	Diluted (Rs.)	44	102.23	101.44

See accompanying notes to the consolidated financial statements

As per our report of even date

For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary

Mumbai
April 28, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity share capital

(1) Current reporting period

(Rs. in crores)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
As at March 31, 2021				As at March 31, 2022
253.06	-	253.06	17.46	270.52

(2) Previous reporting period

(Rs. in crores)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
As at March 31, 2020				As at March 31, 2021
226.88	-	226.88	26.18	253.06

B. Other equity

(1) Current reporting period

(Rs. in crores)

Particulars	Share application money pending allotment	Reserves and Surplus								Other Comprehensive Income	Money received against share warrants	Total
		Capital reserve	Securities premium	Other Reserves								
				Statutory reserve	Debenture redemption reserve #	Capital redemption reserve	General reserve	Remeasurement gain/(loss) on defined benefit Plan	Retained earnings	Effective portion of cash flow hedges		
Balance at the beginning of the current reporting period (as at April 01, 2021)	-	27.64	3,201.27	4,166.39	921.41	53.88	2,663.27	(9.12)	10,532.51	(93.02)	-	21,464.23
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	27.64	3,201.27	4,166.39	921.41	53.88	2,663.27	(9.12)	10,532.51	(93.02)	-	21,464.23
Profit for the year	-	-	-	-	-	-	-	-	2,721.10	-	-	2,721.10
Other comprehensive income for the year	-	-	-	-	-	-	-	(2.44)	-	(120.38)	-	(122.82)
Total comprehensive income for the year	-	-	-	-	-	-	-	(2.44)	2,721.10	(120.38)	-	2,598.28
Dividends (interim)	-	-	-	-	-	-	-	-	(539.65)	-	-	(539.65)
Dividends (final for the year ended March 31, 2021)	-	-	-	-	-	-	-	-	(160.23)	-	-	(160.23)
Transferred to/(from) (refer note 31 Other equity)	-	-	-	541.59	(614.13)	-	270.80	-	(198.26)	-	-	-
Any other change:												
Securities premium proceeds received on issue of equity shares (refer note 30 Equity and note 31 Other equity)	-	-	2,482.54	-	-	-	-	-	-	-	-	2,482.54
Share issue expenses (refer note 30 Equity and note 31 Other equity)	-	-	(21.43)	-	-	-	-	-	-	-	-	(21.43)
Money received against share warrants	-	-	-	-	-	-	-	-	-	-	250.00	250.00
Shares allotted during the year	-	-	-	-	-	-	-	-	-	-	(250.00)	(250.00)
Balance at the end of the current reporting period (as at March 31, 2022)	-	27.64	5,662.38	4,707.98	307.28	53.88	2,934.07	(11.56)	12,355.47	(213.40)	-	25,823.74

(2) Previous reporting period

(Rs. in crores)

Particulars	Share application money pending allotment	Reserves and Surplus								Other Comprehensive Income	Money received against share warrants	Total
		Capital reserve	Securities premium	Other Reserves								
				Statutory reserve	Debenture redemption reserve #	Capital redemption reserve	General reserve	Remeasurement gain/(loss) on defined benefit Plan	Retained earnings	Effective portion of cash flow hedges		
Balance at the beginning of the current reporting period (as at April 01, 2020)	-	**27.64**	**1,754.81**	**3,668.93**	**610.41**	**53.88**	**2,414.54**	**(9.32)**	**9,394.54**	-	-	**17,915.43**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	**27.64**	**1,754.81**	**3,668.93**	**610.41**	**53.88**	**2,414.54**	**(9.32)**	**9,394.54**	-	-	**17,915.43**
Profit for the year	-	-	-	-	-	-	-	-	2,498.83	-	-	**2,498.83**
Other comprehensive income for the year	-	-	-	-	-	-	-	0.20	-	(93.02)	-	**(92.82)**
Total comprehensive income for the year	-	-	-	-	-	-	-	**0.20**	**2,498.83**	**(93.02)**	-	**2,406.01**
Dividends (interim)	-	-	-	-	-	-	-	-	(303.67)	-	-	**(303.67)**
Transferred to/(from) (refer note 31 Other equity)	-	-	-	497.46	311.00	-	248.73	-	(1,057.19)	-	-	-
Any other change:												
Securities premium proceeds received on issue of equity shares (refer note 30 Equity and note 31 Other equity)	-	-	1,466.01	-	-	-	-	-	-	-	-	**1,466.01**
Rights issue expenses (refer note 30 Equity and note 31 Other equity)	-	-	(19.55)	-	-	-	-	-	-	-	-	**(19.55)**
Balance at the end of the current reporting period (as at March 31, 2021)	-	**27.64**	**3,201.27**	**4,166.39**	**921.41**	**53.88**	**2,663.27**	**(9.12)**	**10,532.51**	**(93.02)**	-	**21,464.23**

Refer note 31 Other equity
See accompanying notes to the consolidated financial statements

As per our report of even date
For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman &
Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary

Mumbai
April 28, 2022

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,549.25	3,278.01
Depreciation, amortisation and impairment	135.37	137.36
Interest income on loans	(18,028.13)	(16,611.31)
Finance costs	9,734.31	9,054.26
Loss/(profit) on sale of property plant and equipments (net)	0.79	0.65
Impairment on loans	3,865.02	3,128.29
Impairment on investments	(2.00)	(4.22)
Impairment on undrawn loan commitment	(4.00)	(5.45)
Impairment on other assets	1.84	(0.22)
Net (gain)/loss on fair value changes on investment	(236.83)	(22.87)
Net (gain)/loss on fair value changes on direct assignment	15.13	1.07
Net gain on derecognition of financial instruments under amortised cost category	217.74	58.85
Cash inflow from interest on loans	18,006.70	18,405.90
Cash outflow towards finance costs	(8,588.09)	(7,745.19)
Operating profit before working capital changes	**8,667.10**	**9,675.13**
Movements in Working capital:		
Decrease/(increase) in loans	(12,205.70)	(10,994.29)
(Increase)/decrease in investments	(3,372.48)	(372.28)
Decrease/(increase) in receivables	(372.06)	(102.64)
Decrease/(increase) in bank deposits	(301.83)	(1,164.96)
Decrease/(increase) in other financial assets	(4.26)	(10.11)
Decrease/(increase) in other non-financial assets	(14.67)	(41.13)
Increase/(decrease) in payables	13.51	8.68
Increase/(decrease) in other financial liabilities	(138.25)	3.94
Increase/(decrease) in non-financial liabilities	25.16	15.98
Increase/(decrease) other provision	(3.60)	1.66
Cash used in operations	**(7,707.08)**	**(2,980.02)**
Direct taxes paid (net of refunds)	(1,151.94)	(1,258.75)
Net cash flows from/(used in) operating activities (A)	**(8,859.02)**	**(4,238.77)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(35.75)	(25.82)
Proceeds from sale of property, plant and equipment and intangible assets	1.42	0.94
Net cash generated from/(used in) investing activities (B)	**(34.33)**	**(24.88)**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including share premium and net of share issue expenses)	2,478.57	1,472.64
Proceeds/(repayment) on settlement of derivative contracts	(32.15)	589.48
Increase / (decrease) in Fixed deposits (net)	5,443.14	4,206.86
Amounts received from debt securities	16,637.86	10,636.15
Repayments of debt securities	(16,203.36)	(5,797.45)
Proceeds/(repayment) of subordinated debts	(50.32)	(1,069.27)
Amounts received from borrowings other than debt securities	41,477.93	38,480.04
Repayments of borrowings other than debt securities	(40,280.10)	(36,032.94)
Payment of Lease Liabilities	(114.90)	(107.33)
Dividend paid	(851.81)	(152.59)
Net cash flows from financing activities (C)	**8,504.86**	**12,225.59**
Net increase in cash and cash equivalents (A+B+C)	(388.49)	7,961.94
Cash and cash equivalents at the beginning of the year	11,050.93	3,088.99
Cash and cash equivalents at the end of the year	**10,662.44**	**11,050.93**

Components of cash and cash equivalents

(Rs. in crores)

Cash and cash equivalents at the end of the year	As at March 31, 2022	As at March 31, 2021
i) Cash on hand	95.05	79.61
ii) Cheques on hand	5.56	6.16
iii) Balances with banks (of the nature of cash and cash equivalents)	2,654.78	5,014.78
iv) Call Money (CBLO)	3,198.60	2,498.85
v) Bank deposit with original maturity upto three months or less	4,708.45	3,451.53
Total	**10,662.44**	**11,050.93**

The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

See accompanying notes to the consolidated financial statements

As per our report of even date
For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

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Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary

Mumbai
April 28, 2022

1 BASIS OF PREPARATION

The Consolidated financial statements relate to M/s. Shriram Transport Finance Company Limited (the "Company") and its associate. The Consolidated financial statements of the Company and its associate have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards, and other relevant provisions of the Companies Act 2013 and other accounting principles generally accepted in India. Any applicable guidance / clarifications / directions issued by any regulators are implemented as and when they are issued / applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (refer note 6.1 (xi)).

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 7- Significant accounting judgements, estimates and assumptions.

The Consolidated financial statements are presented in Indian Rupees in Crores (INR Crores or Rs. in crores) and all values are rounded to the nearest crore, except when otherwise indicated.

2 BASIS OF CONSOLIDATION

(i) The financial statements of the associate company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2022 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Company and its associate have been prepared in accordance with the Ind AS 110- 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 ("the Act") and the other relevant provisions of the Act.

(iii) The consolidated financial statements have been prepared on the following basis:

a) Investment made by the Company in an associate company is accounted under the equity method, in accordance with the Indian Accounting Standard 28 on 'Investments in Associates and Joint Ventures'.

b) The policies of the associate company are consistent with those of the Company.

(iv) The associate company considered in the consolidated financial statements are as below (refer note 45):

Name of the associate company	Country of incorporation	Share of ownership interest as at March 31, 2022	Share of ownership interest as at March 31, 2021
Shriram Automall India Limited (SAMIL)	India	44.56%	44.56%

3 PRESENTATION OF FINANCIAL STATEMENT

The Consolidated financial statements of the Company and its associate are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to Non-banking Finance Companies (NBFCs), as notified by the MCA. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows. The Company classifies its assets and liabilities as financial and non-financial and presents them in the order of liquidity. An analysis regarding expected recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in notes to the financial statements. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and its associate and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

4 STATEMENT OF COMPLIANCE

These Consolidated financial statements of the Company and its associate have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

The Company and its associate have consistently applied accounting policies to all the periods except for note 6.1 (xi).

5 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE /RECENT ACCOUNTING DEVELOPMENTS

MCA notifies new standards or amendments to the existing standards. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 which is effective from April 01, 2022. On March 24, 2021, MCA through a notification, amended Schedule III of the Companies Act, 2013 effective from April 01, 2021. Amendments relating to Division III which relate to NBFCs whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, have been complied with.

6 SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss

The classification depends on the contractual terms of the cashflows of the financial assets and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.
- At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business model/ (s) have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

Debt instruments

These financial assets comprise bank balances, Loans, Trade receivables, investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in the statement of profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date, the Company does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at fair value through other comprehensive income (FVOCI).

Amounts presented in other comprehensive income are not subsequently transferred to the statement of profit and loss. Dividends on such investments are recognised in the statement of profit and loss.

(iv) Financial assets measured at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship. Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

Equity Investments

Investment in Associate is carried at cost in the Separate Financial Statements as permitted under Ind AS 27. All other equity investments are measured at fair value through profit or loss.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial liability as measured at fair value through profit or loss.

(v) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities.

Hedge accounting:

The Company has adopted hedge accounting. The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria. The Company has formally designated and documented the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge: A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect the statement of profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in other comprehensive income as cash flow hedge reserve. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

(vi) Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

(vii) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(viii) Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

- The premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

(ix) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2020-21 and until the year ended March 31, 2022.

(x) Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. Accordingly, gain or loss on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss. As at the reporting date, the Company does not have any financial liabilities which have been derecognised.

(xi) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other financial assets not held at fair value through profit or loss (FVTPL), together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Business Loans, secured loans for new vehicles, secured loans for used vehicles and Equipment Finance Loans.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for e.g.. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

In line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021 borrower accounts shall be flagged as overdue as part of the day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as Non-Performing Asset / Stage 3 shall be done as part of day-end process for the relevant date i.e. more than 90 days overdue and NPA/Stage 3 classification date shall be the calendar date for which the day end process is run. In other words, the date of Non-Performing Asset / Stage 3 shall reflect the asset classification status of an account at the day-end of that calendar date.

The Company has carried out the requirement in line with Reserve Bank of India Clarification and accordingly the change in accounting policy is effective financial year 2021-22 and impact on financials is disclosed in note 77.

Upgradation of accounts classified as Stage 3/Non-performing assets (NPA) - The Company upgrades loan accounts classified as Stage 3/NPA to "standard" asset category only if the entire arrears of interest, principal and other amount are paid by the borrower and there is no change in the accounting policy followed by the company in this regard.

Credit-impaired financial assets:

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

ECL on Investment in Government securities:

The Company has invested in Government of India loans. Investment in Government securities are classified under stage 1. No ECL has been applied on these investments as there is no history of delay in servicing of interest/repayments. The Company does not expect any delay in interest/redemption servicing in future.

Simplified approach for trade/other receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to the statement of profit and loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss

upon derecognition of the assets. As at the reporting date, the Company does not have any debt instruments measured at fair value through OCI.

Undrawn loan commitments

When estimating ECL for undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown. The Company discloses ECL allowance on undrawn loan commitments under the head "Provisions" under Non-financial liabilities.

The mechanics of ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 53.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 53.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 53.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

Refer note 63 for impact of COVID and macro-economic factors on PD and LGD estimation.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, wherever possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. The Company generally does not use the assets repossessed for the internal operations. The underlying loans in respect of which collaterals have been repossessed and not sold for more than 12 months are considered as Stage 3 assets and fully provided for net of estimated realizable value or written off. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet as it does not meet the recognition criteria in other standards and consequently the Company also does not derecognise the underlying financial asset immediately on repossession. The Company had revised its policy to fully provide for the underlying loans net of its estimated realisable value in respect of which collaterals had been repossessed and not sold for more than 6 months. The change in accounting policy is effective financial year 2021-22 and impact on financials is disclosed in note 76.

Restructured loans

The Company is permitted to restructure customer accounts. Restructuring would normally involve modification of terms of the advances / securities, which would generally include, among others, alteration of payment period / payable amount / the amount of instalments / rate of interest, sanction of additional credit facility/ release of additional funds for a customer account. The Company considers the modification of the loan only before the loans gets credit impaired. In case of restructuring, the accounts classified as 'standard' shall be immediately downgraded as non-performing assets / Stage 3 unless and other wise explicitly stated in the Circulars and Directions issued by Reserve Bank of India from time to time. Once an asset has been classified as restructured, it will remain restructured for a period of year from the date on which it has been restructured until the customer account demonstrates satisfactory performance during the specified period.

For upgradation of accounts classified as Non-Performing Assets due to restructuring, the instructions as specified for such cases as per the said RBI guidelines shall continue to be applicable.

Loan accounts which have been restructured or modified in accordance with RBI Notifications - RBI/2020-21/16 DOR. No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020- Resolution Framework for COVID-19 related Stress and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021- Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses and RBI/2020-21/17 DOR. No.BP.BC/4/21.04.048/2020-21- dated August 06, 2020 - Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances and RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) have been classified as Stage 2 due to significant increase in credit risk.

(xii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss. Write off in case of standard accounts is done by way of waiver of last one or two instalments in case the borrower pays all the EMIs as per the due dates mentioned in the agreement.

(xiii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 6.1(iii) to 6.1(vi)) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in the statement of profit and loss when the inputs become observable, or when the instrument is derecognised.

6.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets measured at amortised cost other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of ECL provision) of the financial asset.

Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

Interest spread under par structure of direct assignment of loan receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the statement of profit and loss.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset.

(iv) Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

(v) Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 34) held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain/loss on fair value changes. As at the reporting date, the Company does not have any debt instruments measured at FVOCI.

(vi) Net gain/loss on derecognition of financial instruments under amortised cost category

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the statement of profit and loss. The resulting interest only strip initially is recognised at FVTPL under interest income.

6.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the

contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company fully contributes all ascertained liabilities to The Trustees - Shriram Transport Finance Company Limited Employees Group Gratuity Assurance Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the statement of profit and loss.

The Company presents the provision for compensated absences under provisions in the Balance Sheet.

(iii) Leases:

The Company as a lessee

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 (transition date). The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases, the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise an extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term. The Company's lease asset class consist of leases for office premises.

In case of a sub-lease, the Company accounts for its head lease and sub-lease separately.

The Company as a lessor

Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset. Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

(iv) Other income and expenses

All other income and expense are recognised in the period they occur.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

ii. When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(vii) Dividends on ordinary shares

The Company recognises a liability to make cash distributions to equity shareholders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013 final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

6.4 Foreign currency translation

(i) Functional and presentational currency

The consolidated financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the statement of profit and loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

6.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents), CBLO and short- term deposits, as defined above.

6.6 Property, plant and equipment

Property, plant and equipment (PPE) are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, if it is probable that future economic benefit will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years
Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	5 years	5 years

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
Electronic equipment	5 years	5 years
Office equipment	5 years	5 years
Refrigerator	5 years	5 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss from / upto the date of acquisition/sale.

6.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

6.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the statement of profit and loss in the same period.

6.9 Ind AS 101 - First-time Adoption of Indian Accounting Standards

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, intangible assets and investment property as at March 31, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on April 01, 2017.

6.10 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

6.11 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent liabilities are reviewed at each Balance Sheet date.

6.12 Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised nor disclosed in the financial statements. Contingent assets are reviewed at each Balance Sheet date.

6.13 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6.14 Cash flow Statement

Cash flows are reported under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Company.

6.15 Share Based Payment Transactions

As per Ind AS 101, the entity is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind-AS. The Company has decided to avail this exemption and have decided not to apply the requirements of Ind AS 102 to equity instruments that vested before date of transition to Ind-AS.

7 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

7.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(xi) Overview of ECL principles.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed at each Balance sheet date and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

7.7 Estimating the incremental borrowing rate

The Company uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to for its incremental borrowings.

7.8 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
8	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	95.05	79.61
	Balances with banks (of the nature of cash and cash equivalents)	2,654.78	5,014.78
	Cheques on hand	5.56	6.16
	Others		
	- Call money (CBLO)	3,198.60	2,498.85
	- Bank deposit with original maturity upto three months or less	4,708.45	3,451.53
	Total	**10,662.44**	**11,050.93**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The Company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
9	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**		
	Earmarked balances with banks for		
	- Interim dividend	-	151.84
	- Unclaimed dividend accounts	9.72	9.81
	Bank deposit with original maturity for more than three months	574.16	351.50
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments. *	5,108.84	4,877.74
	Total	**5,692.72**	**5,390.89**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits Rs. 4,829.26 crores (March 31, 2021: Rs. 4,642.90 crores) pledged with Banks as margin for credit enhancement, Rs. 33.30 crores (March 31, 2021: Rs. 34.36 crores) as margin for guarantees and Rs. 246.28 crores (March 31, 2021: Rs. 200.48 crores) pledged as lien against loans taken.

10 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The Company has adopted hedge accounting.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(Rs. in crores)

	Particulars	As at March 31, 2022				As at March 31, 2021			
		Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I									
(i)	**Currency derivatives:**								
	- Spots and forwards	17,040.59	97.84	-	-	13,826.90	79.37	-	-
	- Currency swaps	2,320.47	(276.95)	-	-	2,320.38	(103.23)	-	-
	- Cross currency interest rate swaps	3,408.70	364.13	-	-	6,236.92	181.54	-	-
	Sub total (i)	**22,769.76**	**185.02**	**-**	**-**	**22,384.20**	**157.68**	**-**	**-**
(ii)	**Interest rate derivatives:**								
	- Interest rate swaps	14,049.63	3.18	-	-	14,047.48	9.72	-	-
	- Interest rate caps	-	13.20	-	-	-	1.85	-	-
	Sub total (ii)	**14,049.63**	**16.38**	**-**	**-**	**14,047.48**	**11.57**	**-**	**-**

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

(Rs. in crores)

Particulars		As at March 31, 2022				As at March 31, 2021			
		Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
(iii)	**Credit derivatives:**	-	-	-	-	-	-	-	-
(iv)	**Equity linked derivatives:**	-	-	-	-	-	-	-	-
(v)	**Other derivatives:**	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)+(v)		**36,819.39**	**201.40**	-	-	**36,431.68**	**169.25**	-	-
Part II									
	Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i)	Fair value hedging:	-	-	-	-	-	-	-	-
(ii)	Cash flow hedging:	-	-	-	-	-	-	-	-
	- Currency derivatives	22,769.76	185.02	-	-	22,384.20	157.68	-	-
	- Interest rate derivatives	14,049.63	16.38	-	-	14,047.48	11.57	-	-
(iii)	Net investment hedging:	-	-	-	-	-	-	-	-
(iv)	Undesignated derivatives	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)		**36,819.39**	**201.40**	-	-	**36,431.68**	**169.25**	-	-

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 53.

Derivatives designated as hedging instruments

The Company designates its derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates. At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract matches that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the hedging instruments are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Derivatives not designated as hedging instruments

There are no undesignated derivatives.

Notes:

1) The interest rate risk and exchange rate risk on the borrowings of the Company are managed using various derivative instruments which are entered from time to time. The risk management strategy and the use of derivatives are explained in Note 53 - Risk management.

2) The Company has designated the interest rate derivatives which were entered to mitigate interest rate risks on its external commercial bond and external commercial borrowings, as hedging instruments.

The impact of the hedging instrument on the Balance sheet is as follows:

(Rs. in crores)

	As at March 31, 2022				As at March 31, 2021			
Hedged Instrument	**Notional Amount**	**Carrying Amount**	**Line item in the Balance sheet**	**Change in fair value used for measuring ineffectiveness for the year**	**Notional Amount**	**Carrying Amount**	**Line item in the Balance sheet**	**Change in fair value used for measuring ineffectiveness for the year**
Currency derivatives/ Interest rate derivatives	36,819.39	201.40	Derivative Financial Instruments	160.87	36,431.68	169.25	Derivative Financial Instruments	124.31

The impact of hedged items on the Balance sheet is as follows:

(Rs. in crores)

	As at March 31, 2022		As at March 31, 2021	
Hedged Item	**Change in value used for measuring ineffectiveness**	**Cash flow hedge reserve as on March 31, 2022**	**Change in value used for measuring ineffectiveness**	**Cash flow hedge reserve as on March 31, 2021**
External commercial bond and external commercial borrowings	(160.87)	(213.40)	(124.31)	(93.02)

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

(Rs. in crores)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Hedged Item	External commercial bond and external commercial borrowings	
Total hedging gain / (loss) recognised in OCI	(160.87)	(124.31)
Ineffectiveness recognised in the statement of profit and loss	-	-
Line item in the statement of profit and loss that include the hedge ineffectiveness	NA	NA
Amount reclassified from cash flow hedge reserve to the statement of profit and loss	-	-
Line item in the statement of profit and loss that includes the reclassification adjustment	NA	NA

11 RECEIVABLES

(I) Trade receivables

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	5.35	8.92
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Gross	**5.35**	**8.92**
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net	**5.35**	**8.92**

Trade receivables ageing

As at March 31, 2022

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	5.35	-	-	-	-	5.35
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
Gross	**-**	**-**	**5.35**	**-**	**-**	**-**	**-**	**5.35**

As at March 31, 2021

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	8.92	-	-	-	-	8.92
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
Gross	**-**	**-**	**8.92**	**-**	**-**	**-**	**-**	**8.92**

11 RECEIVABLES (Contd.)

The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.

There are no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

(II) Other receivables

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured	192.67	49.90
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	2.61	1.88
Gross	**195.28**	**51.78**
Less: Allowances for impairment loss on credit impaired other receivables	2.61	1.88
Net	**192.67**	**49.90**

There are no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

(Rs. in crores)

Other receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
Estimated total gross carrying amount at default	**March 31, 2022**	189.17	4.10	0.59	0.27	0.85	0.30	**195.28**
ECL-simplified approach		-	1.45	0.01	-	0.85	0.30	**2.61**
Net carrying amount		**189.17**	**2.65**	**0.58**	**0.27**	-	-	**192.67**
Estimated total gross carrying amount at default	**March 31, 2021**	46.82	2.58	0.43	0.19	0.19	1.57	**51.78**
ECL-simplified approach		-	0.04	0.04	0.04	0.19	1.57	**1.88**
Net carrying amount		**46.82**	**2.54**	**0.39**	**0.15**	-	-	**49.90**

Reconciliation of impairment loss allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2020	**2.10**
Add: Addition during the year	0.21
(Less): Reduction during the year	(0.43)
Impairment allowance as per March 31, 2021	**1.88**
Add: Addition during the year	1.00
(Less): Reduction during the year	(0.27)
Impairment allowance as per March 31, 2022	**2.61**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
12 LOANS		
Loans (at amortised cost)		
(A)		
i) Term loans	123,999.00	113,424.31
ii) Others @	1,700.03	2,767.28
Total (A) - Gross	**125,699.03**	**116,191.59**
Less : Impairment loss allowance (refer note 63)	9,033.88	7,888.55
Total (A) - Net	**116,665.15**	**108,303.04**
(B)		
i) Secured by tangible assets	123,981.87	113,415.53
ii) Secured by deposits	17.13	8.78
iii) Unsecured	1,700.03	2,767.28
Total (B) - Gross	**125,699.03**	**116,191.59**
Less : Impairment loss allowance (refer note 63)	9,033.88	7,888.55
Total (B) - Net	**116,665.15**	**108,303.04**
(C)		
Loans outside India	-	-
Loans in India		
i) Public sector	-	-
ii) Others		
Retail	125,285.30	115,654.09
Corporates	413.73	537.50
Total (C) - Gross	**125,699.03**	**116,191.59**
Less : Impairment loss allowance (refer note 63)	9,033.88	7,888.55
Total (C) - Net	**116,665.15**	**108,303.04**

There are no loans measured at FVOCI or FVTPL or designated at FVTPL.

@ includes unsecured working capital loans, loans to employees, trade advances and part disbursement to customers.

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 53.02.02.07.

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Internal rating grade								
Performing								
High grade	85,781.86	-	-	**85,781.86**	66,806.72	-	-	**66,806.72**
Standard grade	17,711.12	-	-	**17,711.12**	27,108.94	-	-	**27,108.94**
Sub-standard grade	-	8,511.97	-	**8,511.97**	-	6,570.01	-	**6,570.01**
Past due but not impaired	-	4,806.53	-	**4,806.53**	-	7,413.11	-	**7,413.11**
Non- performing	-	-	8,887.55	**8,887.55**	-	-	8,292.81	**8,292.81**
Total	**103,492.98**	**13,318.50**	**8,887.55**	**125,699.03**	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**

12 LOANS (Contd.)

An analysis of changes in the gross carrying amount as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**
New assets originated or purchased	54,151.77	5,925.28	1,731.40	**61,808.45**	32,100.42	4,062.47	1,318.50	**37,481.39**
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(40,462.98)	(6,026.81)	(3,091.93)	**(49,581.72)**	(22,592.41)	(3,531.65)	(2,157.84)	**(28,281.90)**
Transfers to stage 1	10,616.77	(8,891.78)	(1,724.99)	-	9,958.65	(7,726.70)	(2,231.95)	-
Transfers to stage 2	(10,291.06)	10,849.87	(558.81)	-	(9,766.35)	10,722.93	(956.58)	-
Transfers to stage 3	(3,544.42)	(2,299.79)	5,844.21	-	(2,449.08)	(1,693.12)	4,142.20	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(892.76)	(221.39)	(1,605.14)	**(2,719.29)**	(400.54)	(110.47)	(998.60)	**(1,509.61)**
Gross carrying amount closing balance	**103,492.98**	**13,318.50**	**8,887.55**	**125,699.03**	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	General approach				General approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**3,046.35**	**1,356.07**	**3,486.13**	**7,888.55**	**2,156.05**	**928.08**	**3,185.95**	**6,270.08**
New assets originated or purchased	1,735.00	628.10	754.40	**3,117.50**	1,010.13	402.20	556.65	**1,968.98**
Transfers to stage 1	1,628.92	(891.41)	(737.51)	-	1,381.13	(602.54)	(778.59)	-
Transfers to stage 2	(335.64)	574.88	(239.24)	-	(260.75)	598.96	(338.21)	-
Transfers to stage 3	(118.19)	(241.53)	359.72	-	(65.42)	(145.29)	210.71	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(1,682.33)	6.31	2,423.13	**747.11**	(774.25)	285.13	1,648.22	**1,159.10**
Amounts written off	(892.76)	(221.39)	(1,605.13)	**(2,719.28)**	(400.54)	(110.47)	(998.60)	**(1,509.61)**
ECL allowance - closing balance	**3,381.35**	**1,211.03**	**4,441.50**	**9,033.88**	**3,046.35**	**1,356.07**	**3,486.13**	**7,888.55**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs. 1,689.33 crores (Rs. 1,080.81 crores for March 31, 2021).

13 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Amortised Cost	At Fair value Through profit or loss	Others (at cost)	Total	Amortised Cost	At Fair value Through profit or loss	Others (at cost)	Total
i) Investments in mutual funds	-	1,523.02	-	**1,523.02**	-	-	-	-
ii) Investments in government securities (refer note 65)	3,154.39	-	-	**3,154.39**	2,058.34	-	-	**2,058.34**
iii) Investments in equity instruments	-	23.89	-	**23.89**	-	6.74	-	**6.74**
iv) Investments in associates (at cost)	-	-	175.44	**175.44**	-	-	162.29	**162.29**
v) Investments in pass through certificates (unquoted)	1,106.88	-	-	**1,106.88**	1,155.87	-	-	**1,155.87**
vi) Investments in certificate of deposits	-	822.29	-	**822.29**	-	-	-	-
vii) Investments in commercial papers	199.79	-	-	**199.79**	-	-	-	-
viii) Others (venture capital fund)	-	1.53	-	**1.53**	-	1.54	-	**1.54**
Total Gross (A)	**4,461.06**	**2,370.73**	**175.44**	**7,007.23**	**3,214.21**	**8.28**	**162.29**	**3,384.78**
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	4,461.06	2,370.73	175.44	**7,007.23**	3,214.21	8.28	162.29	**3,384.78**
Total Gross (B)	**4,461.06**	**2,370.73**	**175.44**	**7,007.23**	**3,214.21**	**8.28**	**162.29**	**3,384.78**
Less : Allowance for impairment loss (C)	(36.00)	-	-	**(36.00)**	(38.01)	-	-	**(38.01)**
Total - Net D = (A) - (C)	**4,425.06**	**2,370.73**	**175.44**	**6,971.23**	**3,176.20**	**8.28**	**162.29**	**3,346.77**

More information regarding the valuation methodologies can be found in Note 52.09.

There is no investments measured at FVOCI or designated at FVTPL.

Investments carried at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system for investments carried at amortised cost are explained in note 53.02.

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	4,461.06	-	-	**4,461.06**	3,214.21	-	-	**3,214.21**
Standard grade	-	-	-	-	-	-	-	-
Non-performing								
Individually Impaired	-	-	-	-	-	-	-	-
Total	**4,461.06**	-	-	**4,461.06**	**3,214.21**	-	-	**3,214.21**

13 INVESTMENTS (Contd.)

An analysis of changes in gross carrying amount and the corresponding ECLs on investments carried at amortised cost which are subject to ECL is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	**3,214.21**	-	-	**3,214.21**	**2,767.25**	**52.67**	-	**2,819.92**
New assets originated or purchased	2,141.55	-	-	**2,141.55**	1,093.04	2.08	-	**1,095.12**
Assets derecognised or matured (excluding write-offs)	(894.71)	-	-	**(894.71)**	(646.08)	(54.75)	-	**(700.83)**
Closing balance	**4,461.06**	-	-	**4,461.06**	**3,214.21**	-	-	**3,214.21**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**38.01**	-	-	**38.01**	**23.79**	**18.44**	-	**42.23**
New assets originated or purchased	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	(2.00)	-	-	**(2.00)**	14.22	-	-	**14.22**
Recoveries	-	-	-	-	-	(18.44)	-	**(18.44)**
Closing balance in ECL	**36.00**	-	-	**36.00**	**38.01**	-	-	**38.01**

Reconciliation of gross carrying value of investment in associate is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	**162.29**	**150.52**
Share of profit of associate	13.17	11.57
Share of other comprehensive income from associates (net of tax)	(0.02)	0.20
Closing balance	**175.44**	**162.29**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
14 OTHER FINANCIAL ASSETS		
Security deposits *	51.45	46.96
Other financial assets	-	2.07
Total	**51.45**	**49.03**

* Net of allowance for impairment loss recognised on security deposit Rs. 0.39 crores (March 31, 2021: Rs. 0.51 crores).

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
15 CURRENT TAX ASSETS (NET)		
Advance income tax [net of provision for income tax Rs. 5,577.72 crores (March 31, 2021: Rs. 5,168.83 crores)]	228.24	171.73
Total	**228.24**	**171.73**

(Rs. in crores)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Freehold Land	Buildings	Total	Freehold Land	Buildings	Total
16 INVESTMENT PROPERTY						
Gross block*						
Opening balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Accumulated depreciation						
Opening balance	-	**0.15**	**0.15**	-	**0.12**	**0.12**
Depreciation charge for the year	-	0.03	**0.03**	-	0.03	**0.03**
Disposals	-	-	-	-	-	-
Closing balance	-	**0.18**	**0.18**	-	**0.15**	**0.15**
Net carrying amount	**0.70**	**1.27**	**1.97**	**0.70**	**1.30**	**2.00**

*Refer note 6.9 of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

(i) Amounts recognised in Statement of Profit and Loss for Investment property

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rental income from investment property	0.17	0.21
Direct operating expenses arising from investment property that generated rental income during the year	0.02	0.02
Direct operating expenses arising from investment property that did not generate rental income during the year	0.00	-
Profit from investment property before depreciation	**0.15**	**0.19**
Depreciation charge for the year	0.03	0.03
Profit from investment property after depreciation	**0.12**	**0.16**

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The fair value of the investment property as at March 31, 2022 is Rs. 6.12 crores (March 31, 2021 is Rs. 6.12 crores).

(iv) Pledged details

Investment property is not pledged.

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) Leasing arrangements

Investment properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

17 PROPERTY, PLANT AND EQUIPMENT

(Rs. in crores)

Particulars	Freehold Land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total
Gross block*									
As at April 01, 2020	**0.59**	**2.39**	**11.09**	**54.29**	**31.59**	**30.69**	**0.25**	**104.63**	**235.52**
Additions	-	-	0.70	10.03	2.61	1.58	-	9.49	**24.41**
Disposals	-	-	0.43	7.48	1.96	0.94	-	4.94	**15.75**
As at March 31, 2021	**0.59**	**2.39**	**11.36**	**56.84**	**32.24**	**31.33**	**0.25**	**109.18**	**244.18**
Additions	-	-	0.93	15.56	3.00	2.56	-	11.18	**33.23**
Disposals	-	-	0.83	14.55	2.64	1.60	0.19	6.73	**26.54**
As at March 31, 2022	**0.59**	**2.39**	**11.46**	**57.85**	**32.60**	**32.29**	**0.06**	**113.63**	**250.87**
Accumulated depreciation and impairment losses									
As at April 01, 2020	**-**	**(0.03)**	**2.82**	**18.92**	**11.68**	**6.52**	**(0.09)**	**45.82**	**85.64**
Charge for the year	-	0.05	1.54	15.50	5.67	3.48	0.08	21.94	**48.26**
Disposals	-	-	0.37	6.49	1.80	0.82	-	4.68	**14.16**
As at March 31, 2021	**-**	**0.02**	**3.99**	**27.93**	**15.55**	**9.18**	**(0.01)**	**63.08**	**119.74**
Charge for the year	-	0.05	1.47	13.18	5.57	3.52	0.08	21.04	**44.91**
Disposals	-	-	0.63	13.23	2.43	1.39	0.18	6.48	**24.34**
As at March 31, 2022	**-**	**0.07**	**4.83**	**27.88**	**18.69**	**11.31**	**(0.11)**	**77.64**	**140.31**
Net carrying amount as at March 31, 2021	**0.59**	**2.37**	**7.37**	**28.91**	**16.69**	**22.15**	**0.26**	**46.10**	**124.44**
Net carrying amount as at March 31, 2022	**0.59**	**2.32**	**6.63**	**29.97**	**13.91**	**20.98**	**0.17**	**35.99**	**110.56**

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2022 is Rs. 0.32 crores (March 31, 2021 is Rs. 0.35 crores).

*Refer note 6.9 of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

The Company has not revalued any of its property, plant and equipment during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

18 LEASES

A] This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in the balance sheet

The Balance sheet shows the following amounts relating to leases

Right-of-use assets

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Office Premises		
Opening Balance	**308.51**	**334.29**
Additions	100.33	62.80
Depreciation charge for the year	(88.86)	(87.73)
Deletions	(17.46)	(0.85)
Net Carrying Amount	**302.52**	**308.51**

The Company has not revalued any of its Right-of-use assets during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

Lease liabilities

Maturity analysis of lease liabilities

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Less than 1 year	74.92	74.29
1 to 2 years	66.53	68.40
2 to 3 years	54.11	57.31
3 to 4 years	38.36	46.24
4 to 5 years	31.94	28.32
More than 5 years	83.57	74.93
Total	**349.43**	**349.49**

The Company has taken various office premises under lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
(ii)	**Amounts recognised in the Statement of Profit and Loss**		
	Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	88.86	87.73
	Interest expense (included in finance costs)	31.97	32.06
	Expense relating to short-term leases (included in other expenses)	3.24	9.24
	Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	1.80	2.13
	Expense relating to variable lease payments not included in lease liabilities (included in other expenses)	-	-
	The Company had remeasured lease liability in respect of certain leases during the year and income on such remeasurement of leases as per Ind AS 116 is included in other income	3.16	2.66
	Income from subleasing right-of-use assets (included in other income)	7.27	7.94
(iii)	**Gains or losses arising from sale and leaseback transactions**	-	-
(iv)	**The total cash outflow for leases during the year**	**109.13**	**96.16**

18 LEASES (Contd.)

The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

B] This note provides information for leases where the Company is a lessor.

The Company had given office premises under lease. The income from lease recognised in the Statement of Profit and Loss are Rs. 0.17 crores (March 31, 2021: Rs. 0.21 crores). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

Future minimum lease receivables under non-cancellable leases as at March 31, 2022 are as follows:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Within one year	0.17	0.17
After one year but not more than five years	0.08	0.25
More than five years	-	-
Total	**0.25**	**0.42**

(Rs. in crores)

Particulars	Computer software
19 OTHER INTANGIBLE ASSETS #	
Gross block*	
As at April 01, 2020	**4.02**
Additions	1.06
Disposals	-
As at March 31, 2021	**5.08**
Additions	2.22
Disposals	0.03
As at March 31, 2022	**7.27**
Accumulated amortisation and impairment losses	
As at April 01, 2020	**1.35**
Charge for the year	1.34
Disposals	0.00
As at March 31, 2021	**2.69**
Charge for the year	1.57
Disposals	0.03
As at March 31, 2022	**4.23**
Net carrying amount as at March 31, 2021	**2.39**
Net carrying amount as at March 31, 2022	**3.04**

Other than internally generated

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

*Refer note 6.9 of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

The Company has not revalued any of its intangible assets during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
20 OTHER NON-FINANCIAL ASSETS		
Goods and services tax credit (input) receivable	198.82	183.44
Prepaid expenses	9.32	7.80
Capital advances	3.05	1.00
Duties paid under protest	96.40	96.40
Other non-financial assets	2.45	4.68
Total	**310.04**	**293.32**

21 PAYABLES

(I) Trade payables

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	0.02	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises *	166.01	152.52
Total	**166.03**	**152.52**

*Includes payable to associate Rs. 0.91 crores (March 31, 2021: Rs. 1.27 crores).

Trade Payables ageing

As at March 31, 2022

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	0.02	-	-	-	**0.02**
(ii) Others	108.81	-	50.63	4.25	1.10	1.22	**166.01**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**108.81**	**-**	**50.65**	**4.25**	**1.10**	**1.22**	**166.03**

As at March 31, 2021

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	136.07	-	11.46	3.60	1.07	0.32	**152.52**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**136.07**	**-**	**11.46**	**3.60**	**1.07**	**0.32**	**152.52**

(II) Other payables

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	1.46	0.37
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.21	0.54
Total	**2.67**	**0.91**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
22 DEBT SECURITIES		
At amortised cost		
Secured		
Redeemable non-convertible debentures		
- Public issue ¥	2,500.63	5,776.24
- Privately placed ¥¥	18,768.05	15,153.29
External commercial bond	19,011.29	17,779.55
Senior secured notes	891.40	888.35
Unsecured		
Redeemable non-convertible debentures		
- Privately placed	85.18	464.44
Total	**41,256.55**	**40,061.87**
Debt securities in India	21,353.86	21,393.97
Debt securities outside India	19,902.69	18,667.90
Total	**41,256.55**	**40,061.87**

There are no debt securities measured at FVTPL or designated at FVTPL.

¥ includes Rs. 29.40 crores (March 31, 2021 Rs. 69.20 crores) issued to related parties including Directors.

¥¥ includes Rs. 27.96 crores (March 31, 2021 Rs. 10.01 crores) issued to related parties.

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
23 BORROWINGS (OTHER THAN DEBT SECURITIES)		
At amortised cost		
Secured		
Term loan from banks - INR	16,755.62	13,304.70
Term loan from financial institutions/corporates - INR	5,685.24	3,783.20
External commercial borrowing - FCNR	4,243.13	4,122.49
Loans repayable on demand from banks (Cash credit from banks)	454.86	667.38
Other loans - INR -Securitisation liabilities	19,538.08	23,403.60
Total	**46,676.93**	**45,281.37**
Borrowings in India	42,433.80	41,158.88
Borrowings outside India	4,243.13	4,122.49
Total	**46,676.93**	**45,281.37**

There are no borrowings measured at FVTPL or designated at FVTPL.

The borrowings have not been guaranteed by directors or others. The Company has not defaulted in repayment of principal and interest to its lenders.

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
24 DEPOSITS		
At amortised cost		
Unsecured		
i. Public deposits (refer note 65) *	20,190.08	15,790.71
ii. From Banks	-	-
iii. From Others		
- Deposits from corporates **	1,729.76	392.11
- Inter-corporate deposits ***	29.14	49.59
Total	**21,948.98**	**16,232.41**

There are no deposits measured at FVTPL or designated at FVTPL.

* includes Rs. 3.01 crores (March 31, 2021 Rs. 1.89 crores) accepted from related parties including Director.

** includes Rs. 118.94 crores (March 31, 2021 Rs. 34.34 crores) accepted from related parties.

*** includes Rs. 27.45 crores (March 31, 2021 Rs. 49.59 crores) accepted from associate.

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
25 SUBORDINATED LIABILITIES		
At amortised cost		
Others		
Unsecured		
Subordinated debts - Debentures #	4,614.25	4,620.76
Total	**4,614.25**	**4,620.76**
Subordinated debts in India	4,614.25	4,620.76
Subordinated debts outside India	-	-
Total	**4,614.25**	**4,620.76**

There are no subordinated liabilities measured at FVTPL or designated at FVTPL.

includes Rs. 516.07 crores (March 31, 2021 Rs. 495.36 crores) issued to related parties.

I DEBT SECURITIES

A) Redeemable non-convertible debenture (NCD) -secured

i) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2014)

Terms of repayment as on March 31, 2022

Outstanding as on March 31, 2022: Nil

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12 months	-	240.22	-	**240.22**
Total	-	**240.22**	-	**240.22**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 1,974.85 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

I DEBT SECURITIES (Contd.)

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

As per the terms of the issue Rs. 199.37 crores were redeemed on July 15, 2021.

As per the terms of the issue Rs. 427.15 crores were redeemed on July 15, 2019.

As per the terms of the issue Rs. 1,348.33 crores were redeemed on July 15, 2017.

ii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 1)

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	497.98	-	-	**497.98**
12-24 months	850.87	-	-	**850.87**
Total	**1,348.85**	**-**	**-**	**1,348.85**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	497.03	-	-	**497.03**
24-36 months	837.55	-	-	**837.55**
upto 12 months	2,447.63	-	-	**2,447.63**
Total	**3,782.21**	**-**	**-**	**3,782.21**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 3,648.52 crores raised from public issue (net off expenses) towards repayment of borrowings as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 2,285.45 crores were redeemed on July 12, 2021.

As per the terms of the issue Rs. 107.40 crores were redeemed on December 26, 2019.

iii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 2)

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.82	-	-	**71.82**
12-24 months	269.30	-	-	**269.30**
Total	**341.12**	**-**	**-**	**341.12**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.67	-	-	**71.67**
24-36 months	263.13	-	-	**263.13**
upto 12 months	-	310.11	-	**310.11**
Total	**334.80**	**310.11**	**-**	**644.91**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

I DEBT SECURITIES (Contd.)

The Company had utilised the entire sum of Rs. 606.79 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 107.40 crores were redeemed on November 2, 2021.

iv) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 3)

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	60.13	-	-	**60.13**
12-24 months	243.38	-	-	**243.38**
Total	**303.51**	**-**	**-**	**303.51**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.99	-	-	**59.99**
24-36 months	237.50	-	-	**237.50**
upto 12 months	-	262.55	-	**262.55**
Total	**297.49**	**262.55**	**-**	**560.04**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 537.32 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 247.04 crores were redeemed on February 6, 2022.

v) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 1)

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
48-60 Months	20.65	45.16	-	**65.81**
24-36 months	33.87	71.47	-	**105.34**
upto 12 months	41.91	94.28	-	**136.19**
Total	**96.43**	**210.91**	**-**	**307.34**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	20.57	43.38	-	**63.95**
36-48 months	33.67	69.12	-	**102.79**
12-24 months	41.56	90.45	-	**132.01**
upto 12 months	-	55.59	-	**55.59**
Total	**95.80**	**258.54**	**-**	**354.34**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 339.94 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 53.11 crores were redeemed on February 22, 2022.

I DEBT SECURITIES (Contd.)

vi) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 2)

Terms of repayment as on March 31, 2022

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
48-60 months	26.44	-	-	**26.44**
24-36 months	68.61	-	-	**68.61**
upto 12 months	79.87	24.89	-	**104.76**
Total	**174.92**	**24.89**	**-**	**199.81**

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	26.31	-	-	**26.31**
36-48 months	66.64	-	-	**66.64**
12-24 months	78.97	22.60	-	**101.57**
Total	**171.92**	**22.60**	**-**	**194.52**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 193.67 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

vii) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2022

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10% ^ $	>= 10% < 12% ^ #	>= 12% < 14%	>=14% <16%	
over 60 months	6,374.70	-	-	-	**6,374.70**
48-60 months	338.75	-	-	-	**338.75**
36-48 months	352.54	-	-	-	**352.54**
24-36 months ^	461.91	1,301.21	-	-	**1,763.12**
12-24 months^ # $	4,610.29	304.39	-	-	**4,914.68**
upto 12 months ^ $	3,637.44	1,179.96	154.56	52.30	**5,024.26**
Total	**15,775.63**	**2,785.56**	**154.56**	**52.30**	**18,768.05**

^ NCD amounting to Rs. 2,396.30 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

includes 1 NCD of Rs. 250 crores partly paid to the extend of Rs. 116.67 crores.

$ Out of above NCD having put / call option are as under

(Rs. in crores)

Sr No.	Rate of interest	Amount	Put / Call Option Date
1	7.46%	1,000.00	April 29, 2022
2	7.15%	1,585.00	June 17, 2022
Total		**2,585.00**	

I DEBT SECURITIES (Contd.)

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10%^	>= 10% < 12% ^	>= 12% < 14%	>=14% <16%	
over 60 months	3,613.48	-	-	-	**3,613.48**
48-60 months	302.37	-	-	-	**302.37**
36-48 months	154.79	1,299.99	-	-	**1,454.78**
24-36 months ^	863.19	172.21	-	-	**1,035.40**
12-24 months^	1,970.82	1,086.19	151.27	45.73	**3,254.01**
upto 12 months ^	4,627.44	865.81	-	-	**5,493.25**
Total	**11,532.09**	**3,424.20**	**151.27**	**45.73**	**15,153.29**

^ NCD amounting to Rs. 2,692.60 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

Nature of security

Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

(Rs. in crores)

Total non-convertible debentures- secured	As at March 31, 2022	As at March 31, 2021
Public issue (i+ii+iii+iv+v+vi)	2,500.63	5,776.24
Privately placed (vii)	18,768.05	15,153.29
Total non-convertible debentures- secured	**21,268.68**	**20,929.53**

B) External commercial bond (ED) Secured

Privately Placed Redeemable External commercial bond of Rs. 100,000/- each

Terms of repayment as on March 31, 2022

(Rs. in crores)

Detail	Rate of Interest		Total
	< 10%	>= 10% < 12%	
36-48 months	3,622.91	-	**3,622.91**
12-24 months	9,564.27	-	**9,564.27**
upto 12 months	5,824.11	-	**5,824.11**
Total	**19,011.29**	**-**	**19,011.29**

Terms of repayment as on March 31, 2021

(Rs. in crores)

Detail	Rate of Interest		Total
	< 10%	>= 10% < 12%	
24-36 months	9,182.92	-	**9,182.92**
12-24 months	5,638.17	-	**5,638.17**
upto 12 months	-	2,958.46	**2,958.46**
Total	**14,821.09**	**2,958.46**	**17,779.55**

On January 18, 2022, the Company issued and allotted USD 475,000,000 4.15% senior secured notes due 2025 in offshore market (Social Bonds) for sum of Rs. 3,512.86 crores under USD 3.5 Billion Global Medium Term Note Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX- ST) on January 19, 2022. The proceeds of the issue of the Social Bonds are being utilised as per the Company's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations.

On March 31, 2021, the Company issued and allotted USD 225,000,000 4.40% senior secured notes due 2024 in offshore market (Social Bonds) for sum of Rs.1,630.35 crores to be consolidated and form a single series with the U.S.$500,000,000 4.40 per cent Senior Secured Notes due 2024 issued on January 13, 2021 under USD 3 Billion Global Medium Term Note Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX- ST) on April 01, 2021. The proceeds of the issue of the Social Bonds are being utilised as per the Company's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations.

I DEBT SECURITIES (Contd.)

On January 13, 2021, the Company issued and allotted USD 500,000,000 4.40% Senior Secured Notes due 2024 in offshore market (Social Bonds) for sum of USD 499,950,000 equivalent to Rs. 3,672.50 crores under USD 3 Billion GMTN Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX-ST) on January 14, 2021. The proceeds of the issue of the Social Bonds are being utilised as per the Company's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction – External Commercial Borrowings, Trade Credits, and Structured Obligations.

During the year ended March 31, 2020, the Company issued and allotted USD 250,000,000 5.3750% senior secured notes due 2022 in offshore market (notes) equivalent to Rs. 1,714.38 crores under USD 2,000,000,000 Global Medium Term Note Programme. The said notes are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the notes have been utilised for the purpose of onward lending and other activities as may be permitted by the ECB Directions.

During the year ended March 31, 2020, the Company issued and allotted USD 500,000,000 5.100% senior secured notes due 2023 in offshore market (Social Bonds) equivalent to Rs. 3,541.75 crores under USD 3,000,000,000 Global Medium Term Note Programme. The said Social Bonds are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the Social Bonds have been utilised for the purpose of onward lending and other activities as per the Company's Social Finance Framework and as may be permitted by the ECB Directions.

During the year ended March 31, 2019, the Company issued and allotted senior secured notes in offshore market (notes) aggregating to INR 2,849.90 crores consisting of 5.70% notes due 2022 under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue have been utilised for the purpose of onward disbursements.

As per the terms of the issue, Rs. 2,849.90 crores were redeemed on February 28, 2022.

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

C) Senior secured notes

Senior secured notes of Rs. 10,000,000/- each

Terms of repayment (Rs. in crores)

Detail	Rate of interest	As at March 31, 2022	As at March 31, 2021
36-48 months	<10%	-	-
24-36 months	<10%	-	888.35
12-24 months	<10%	891.40	-
upto 12 months	<10%	-	-
Total		**891.40**	**888.35**

During the year ended March 31, 2018, the Company had issued senior secured notes in offshore market (notes) aggregating to INR 1,160 crores consisting of INR 840 crores 8.10% notes due 2023 and INR 320 crores 7.90% notes due 2021 payable in US dollars under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST).

The Company had utilised the entire sum of Rs. 1,160.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

During the year ended March 31, 2017, the Company had issued Rs. 1,350.00 crores 8.25 % senior secured notes at the price of 100.18% that are due for repayment on February 18, 2020. The said notes (with ISIN - XS 1549374475) are listed and traded on the Singapore Exchange (SGX-ST) with a minimum board lot size of S $200,000.

The Company had utilised the entire sum of Rs. 1,350.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

As per the terms of the issue, Rs. 1,350.00 crores were redeemed on February 18, 2020.

As per the terms of the issue, Rs. 320.00 crores were redeemed on March 12, 2021.

I DEBT SECURITIES (Contd.)

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

D) Redeemable non-convertible debenture (NCD) -unsecured

i) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
24-36 months	-	-	85.18	**85.18**
Total	**-**	**-**	**85.18**	**85.18**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
36-48 months	-	-	464.44	**464.44**
Total	**-**	**-**	**464.44**	**464.44**

II BORROWINGS (OTHER THAN DEBT SECURITIES)

A) Term loans from banks -secured (INR)

As at March 31, 2022

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	7.45% to 8.90%	20 to 60 instalments of monthly and quarterly frequency	3,318.09
36-48 months	5.50% to 8.56%	14 to 60 instalments of monthly and quarterly frequency	2,874.22
24-36 months	5.70% to 9.56%	1 to 48 instalments of bullet, monthly, quarterly and half-yearly frequency	3,539.61
12-24 months	6.61% to 10.14%	1 to 36 instalments of bullet, monthly and quarterly frequency	1,603.16
upto 12 months	5.60% to 10.34%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	5,420.54
Total			**16,755.62**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

As at March 31, 2021

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	7.73% to 8.71%	20 to 60 instalments of monthly and quarterly frequency	1,345.25
36-48 months	8.15% to 10.98%	20 to 48 instalments of monthly, quarterly and specific frequency	2,809.75
24-36 months	7.00% to 10.10%	1 to 36 instalments of bullet and quarterly frequency	2,150.23
12-24 months	7.30% to 10.07%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	1,536.39
upto 12 months	6.65% to 10.01%	1 to 20 instalments of bullet, quarterly and specific frequency	5,463.08
Total			**13,304.70**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

B) Term loans from financial institutions/corporates -secured (INR)

As at March 31, 2022

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	7.34% to 8.95%	19 to 20 instalments of quarterly frequency	1,227.32
36-48 months	8.23% to 9.00%	1 to 20 instalments of bullet and quarterly frequency	1,898.70
24-36 months	7.25% to 10.20%	11 instalments of quarterly, half-yearly and specific frequency	2,229.80
12-24 months	9.70% to 10.50%	11 to 12 instalments of quarterly, half-yearly and specific frequency	197.15
upto 12 months	7.44% to 9.07%	11 to 20 instalments of quarterly, half-yearly and specific frequency	132.27
Total			**5,685.24**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

As at March 31, 2021

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.95%	20 instalments of quarterly frequency	389.57
48-60 months	8.23% to 9.00%	20 instalments of quarterly frequency	2,385.43
36-48 months	10.20%	11 instalments of specific frequency	130.11
24-36 months	9.70% to 10.50%	11 to 12 instalments of quarterly and specific frequency	404.35
12-24 months	7.02% to 9.01%	11 to 20 instalments of quarterly and specific frequency	343.41
upto 12 months	6.21% to 6.31%	1 to 9 instalments of bullet and monthly frequency	130.33
Total			**3,783.20**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

C) External commercial borrowing

As at March 31, 2022

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
Over 60 months	4.59%	11 instalments of half-yearly frequency	531.25
48-60 Months	8.63% to 10.86%	11 to 13 instalments of half-yearly and specific frequency	873.29
24-36 months	8.12%	Bullet frequency	191.59
12-24 months	9.83% to 10.02%	Bullet frequency	2,647.00
Total			**4,243.13**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2021

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	4.59% to 10.87%	11 to 13 instalments of half-yearly and specific frequency	1,566.94
24-36 months	9.83% to 10.02%	Bullet frequency	2,555.55
Total			**4,122.49**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

D) Loans repayable on demand from banks (Cash credit from banks)

As at March 31, 2022

Terms of repayment (Rs. in crores)

Particulars	Rate of interest	Amount
Secured by hypothecation of specific assets covered under hypothecation loan agreements	7.30% to 10.45%	454.86
Total		**454.86**

As at March 31, 2021

Terms of repayment (Rs. in crores)

Particulars	Rate of interest	Amount
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.20% to 11.70%	667.38
Total		**667.38**

E) Other loans - INR -Securitisation liabilities

As at March 31, 2022

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	5.90% to 9.00%	1 to 86 instalments monthly frequency	11,209.94
36-48 months	5.50% to 9.00%	1 to 67 instalments monthly frequency	3,565.64
24-36 months	6.31% to 9.40%	1 to 65 instalments monthly frequency	1,166.14
12-24 months	8.00% to 9.70%	1 to 61 instalments monthly frequency	3,092.50
upto 12 months	6.97% to 10.20%	1 to 61 instalments monthly frequency	503.86
Total			**19,538.08**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2021

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.93% to 9.98%	1 to 88 instalments monthly frequency	3,297.86
48-60 months	8.38% to 11.15%	1 to 69 instalments monthly frequency	8,056.62
36-48 months	7.99% to 11.00%	1 to 63 instalments monthly frequency	7,347.62
24-36 months	8.31% to 10.53%	1 to 61 instalments monthly frequency	3,482.40
12-24 months	6.90% to 8.84%	1 to 60 instalments monthly frequency	1,219.10
Total			**23,403.60**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

III DEPOSITS

A) Deposits from public - unsecured -[refer note 65]

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	2,446.18	-	**2,446.18**
36-48 months	2,030.40	-	**2,030.40**
24-36 months	5,523.97	-	**5,523.97**
12-24 months	4,631.55	-	**4,631.55**
upto 12 months	5,557.98	-	**5,557.98**
Total	**20,190.08**	**-**	**20,190.08**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,906.84	-	**1,906.84**
36-48 months	1,122.74	-	**1,122.74**
24-36 months	3,967.54	-	**3,967.54**
12-24 months	3,595.91	-	**3,595.91**
upto 12 months	5,197.68	-	**5,197.68**
Total	**15,790.71**	**-**	**15,790.71**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Deposits from public	20,190.08	15,790.71

B) Deposits from corporates - unsecured

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	30.21	-	**30.21**
36-48 months	13.24	-	**13.24**
24-36 months	367.23	-	**367.23**
12-24 months	150.65	-	**150.65**
upto 12 months	1,168.43	-	**1,168.43**
Total	**1,729.76**	**-**	**1,729.76**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	13.33	-	**13.33**
36-48 months	4.73	-	**4.73**
24-36 months	87.95	-	**87.95**
12-24 months	38.44	-	**38.44**
upto 12 months	247.66	-	**247.66**
Total	**392.11**	**-**	**392.11**

C) Inter-corporate deposits

Terms of repayment as on March 31, 2022 (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total
upto 12 months	4.50% to 7.00%	Bullet repayment	29.14
Total			**29.14**

III DEPOSITS (Contd.)

Terms of repayment as on March 31, 2021 (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total
upto 12 months	7.50%	Bullet repayment	49.59
Total			**49.59**

IV SUBORDINATED LIABILITIES

A) Subordinated liabilities -unsecured - Debentures

Privately placed subordinated liabilities of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,395.11	78.94	-	**1,474.05**
48-60 months	137.64	-	-	**137.64**
36-48 months	39.87	56.94	-	**96.81**
24-36 months	41.04	541.92	1,680.52	**2,263.48**
12-24 months	-	332.92	-	**332.92**
upto 12 months	-	309.35	-	**309.35**
Total	**1,613.66**	**1,320.07**	**1,680.52**	**4,614.25**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,531.88	78.89	-	**1,610.77**
48-60 months	39.82	56.79	-	**96.61**
36-48 months	41.00	536.25	1,642.51	**2,219.76**
24-36 months	-	332.62	-	**332.62**
12-24 months	-	309.06	-	**309.06**
upto 12 months	-	-	51.94	**51.94**
Total	**1,612.70**	**1,313.61**	**1,694.45**	**4,620.76**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
26 OTHER FINANCIAL LIABILITIES		
Investor education and protection fund shall be credited by the following amounts (as and when due)		
- Unclaimed dividend	9.72	9.81
- Unclaimed matured deposits and interest accrued thereon	111.07	106.74
- Unclaimed matured debentures and interest accrued thereon	13.09	15.62
- Unclaimed matured subordinated debts and interest accrued thereon	9.08	36.43
Temporary credit balance in bank accounts	30.12	57.27
Payable on account of assignment	132.00	178.07
Payable to dealers	0.86	2.63
Payable to employees	132.59	134.51
Retention money and other sundry liabilities	303.48	342.15
Interim dividend payable	-	151.84
Other liabilities *	117.63	114.75
Total	**859.64**	**1,149.82**

* Other liabilities include amount payable to Banks for credit card payments, settlement dues payable to resigned employees, etc.

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
27 CURRENT TAX LIABILITIES (NET)		
For taxation [net of advance tax Rs. 692.91 crores (March 31, 2021: Rs. 3.10 crores)]	36.82	102.02
Total	**36.82**	**102.02**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
28 PROVISIONS		
For employee benefits		
- Gratuity (refer note 46)	2.24	2.07
- Compensated absences (leave encashment and availment)	38.31	37.02
For others		
- Expected credit loss towards undrawn loan commitment	6.70	10.70
- Taxes- contested	90.93	92.75
Total	**138.18**	**142.54**

Loan commitments

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53.02.02.07.

(Rs. in crores)

	As at March 31, 2022	As at March 31, 2021
Particulars	**Stage 1 Collective**	**Stage 1 Collective**
Internal rating grade		
Performing		
High grade	92.43	148.66
Total	**92.43**	**148.66**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

(Rs. in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Particulars	**Stage 1**	**Stage 1**
Opening balance of outstanding exposure	148.66	311.87
New exposures	69.95	88.39
Exposures cancelled or disbursed (excluding write-offs)	(126.18)	(251.60)
Closing balance of outstanding exposure	**92.43**	**148.66**

28 PROVISIONS (Contd.)

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	General approach	General approach
	Stage 1	Stage 1
ECL allowance - opening balance	10.70	16.15
New exposures	4.21	5.13
Exposures cancelled or disbursed (excluding write-offs)	(8.21)	(10.58)
ECL allowance - closing balance	**6.70**	**10.70**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
29 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues payable	101.16	85.45
Advance from customers	23.26	13.81
Total	**124.42**	**99.26**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
30 EQUITY SHARE CAPITAL		
Authorised:		
647,000,000 (March 31, 2021: 647,000,000) equity shares of Rs.10/- each	647.00	647.00
95,000,000 (March 31, 2021: 95,000,000) preference shares of Rs.100/- each	950.00	950.00
	1,597.00	**1,597.00**
Issued share capital		
270,519,713 (March 31, 2021: 253,067,654) equity shares of Rs. 10/- each *	270.52	253.07
Subscribed share capital		
270,519,713 (March 31, 2021: 253,061,513) equity shares of Rs. 10/- each	270.52	253.06
Paid up (fully paid up)		
Equity shares		
270,519,713 (March 31, 2021: 253,061,513) equity shares of Rs. 10/- each fully paid up	270.52	253.06
Total Equity	**270.52**	**253.06**

* Pursuant to the ordinary resolution passed by the shareholders of the Company on March 6, 2022 through postal ballot, 6,141 equity shares of face value of Rs. 10/- each not taken/agreed to be taken by any person in the Rights Issue of the Company made in the year 1995 were cancelled from the Issued Share Capital of the Company.

30 EQUITY SHARE CAPITAL (Contd.)

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2020	**226,882,736**	**226.88**
Issued during the year #	26,178,777	26.18
As at March 31, 2021	**253,061,513**	**253.06**
Issued during the year ##	17,458,200	17.46
As at March 31, 2022	**270,519,713**	**270.52**

On August 06, 2020, the Company allotted fully paid-up 26,178,777 Equity Shares of face value of Rs. 10/- each to the eligible equity shareholders at an issue price of Rs. 570/- per Equity Share (including premium of Rs. 560/- per Equity Share) in the Rights Issue, which opened on July 16, 2020 and closed on July 30, 2020. The entire proceeds of the Rights Issue have been utilised as per the objects stated in the offer document for the Rights issue. The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by Rs. 26.18 crores and securities premium reserve by Rs. 1,446.46 crores (net of share issue expenses of Rs. 19.55 crores).

On June 12, 2021, the Company allotted 13,986,000 Equity Shares of face value Rs.10/- each to eligible qualified institutional buyers at the issue price of Rs. 1,430/- per Equity Share (including a premium of Rs. 1,420/- per Equity Share) at a discount of Rs. 3.32 per Equity Share i.e. 0.23% of the floor price of Rs. 1,433.32 per Equity Share, aggregating to Rs. 19,999,980,000/- by way of qualified institutions placement (QIP Issue). The QIP Issue opened on June 7, 2021 and closed on June 11, 2021. The entire proceeds have been utilised for the objects of the QIP Issue. Pursuant to the allotment of Equity Shares in the QIP Issue, the paid - up equity share capital of the Company stood increased from Rs. 2,530,615,130/- to Rs. 2,670,475,130/- on June 12, 2021 comprising of 267,047,513 fully paid-up equity shares of face value of Rs. 10/- each and securities premium reserve by Rs. 1,964.78 crores (net of share issue expenses of Rs. 21.23 crores).

On July 8, 2021, the Company allotted (i) 1,736,100 Equity Shares of the Company, fully paid-up, at a price of Rs. 1,440/- per Equity Share including a premium of Rs. 1,430/- per Equity Share, aggregating up to Rs. 2,499,984,000/- and (ii) 1,736,100 Warrants convertible into 1,736,100 Equity Shares at a price (including the warrant subscription price and the warrant exercise price) of Rs. 1,440/- each, aggregating up to Rs. 2,499,984,000/- on a preferential basis to Shriram Capital Limited, Promoter of the Company (Preferential Issue). The Company received the subscription money of Rs. 624,996,000/- for allotment of 1,736,100 Warrants convertible into Equity Shares, being 25% of the Issue price of Rs. 1,440/- of the Warrants at Rs. 360/- per Warrant, towards the warrant subscription price. The entire proceeds have been utilised for the objects of the Preferential Issue. Pursuant to allotment of the Equity Shares in the Preferential Issue, the paid-up share capital of the Company stood increased on July 8, 2021 from Rs. 2,670,475,130/- to Rs. 2,687,836,130/- comprising of 268,783,613 equity shares of face value of Rs. 10/- each and securities premium reserve by Rs. 248.06 crores.

On November 25, 2021, the Company allotted 1,736,100 Equity Shares of face value of Rs. 10/- each fully paid up issued at a premium of Rs. 1,430/- per equity share to Shriram Capital Limited, Promoter of the Company upon exercise of option of conversion of 1,736,100 Warrants by Shriram Capital Limited. The Issue Price of the Warrant was Rs. 1,440/- per warrant of which 25% was paid by Shriram Capital Limited on subscription of 1,736,100 warrants on July 08, 2021 and the balance 75% i.e. Rs. 1,080/- per warrant being the Warrant Exercise Price was paid by Shriram Capital Limited. The entire proceeds have been utilised for the objects of the Preferential Issue. Pursuant to allotment of the Equity Shares in the Preferential Issue, the paid-up share capital of the Company stood increased on November 25, 2021 from Rs. 2,687,836,130/- to Rs. 2,705,197,130/- comprising of 270,519,713 equity shares of face value of Rs. 10/- each and securities premium reserve by Rs. 248.26 crores.

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

The Board of Directors in their meeting held on March 05, 2022 declared second interim equity dividend of 120% (Rs. 12/- per equity share of nominal face value of Rs. 10/- each fully paid up) for the financial year 2021-22, amounting to Rs. 3,246,236,556/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim equity dividend was March 14, 2022. The second interim dividend was paid to eligible shareholders on March 24, 2022. The Board of Directors in its meeting held on April 28, 2022 have not recommended final dividend. As such the interim dividend aggregating to Rs. 20/-per share (i.e. 200 %) shall be the final dividend for the financial year 2021-22.

30 EQUITY SHARE CAPITAL (Contd.)

The Board of Directors in their meeting held on October 29, 2021 declared interim equity dividend of 80% (Rs. 8/- per equity share of nominal face value of Rs. 10/- each fully paid up) for the financial year 2021-22, amounting to Rs. 2,150,268,904 (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of interim equity dividend was November 10, 2021. The interim dividend was paid to eligible shareholders on November 24, 2021.

Pursuant to the final equity dividend for the financial year 2020-21 approved by the shareholders at the 42nd Annual General Meeting held on June 24, 2021, the Company paid the final equity dividend of 60% (Rs. 6/- per equity share of nominal face value of Rs. 10/- each fully paid up) aggregating to Rs. 1,602,285,078/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of final equity dividend was June 17, 2021 and the payment was made on July 07, 2021. With this the total dividend for the financial year 2020-21 was Rs. 18 /- per share (i.e. 180 %).

The Board of Directors in their meeting held on March 25, 2021 declared second interim equity dividend of 60% (Rs. 6/- per equity share of nominal face value of Rs. 10/- each fully paid up) for the financial year 2020-21, amounting to Rs. 1,518,369,078/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim dividend was April 06, 2021 and the payment was done on April 16, 2021.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Nil

d. Details of shareholders holding more than 5% equity shares in the Company

Details of shareholding	As at March 31, 2022		As at March 31, 2021	
Name of the shareholder	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10/- each				
Shriram Capital Limited	70,437,147	26.04%	66,964,947	26.46%
Life Insurance Corporation of India	18,004,597	6.66%	**	**

** holding less than 5% equity shares

e. Refer note 51- Capital management for the Company's objectives, policies and processes for managing capital

f. Proposed dividends on equity shares:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Proposed dividend on equity shares for the year ended on March 31, 2022: Rs. Nil per share (March 31, 2021: Rs. 6.00 per share)	-	151.84
Total	-	**151.84**

g. Shareholding of Promoters

Year ended	Shares held by promoters at the end of the year			% Change during the year
	Promoter name	No. of Shares	% of Total Shares	
As at March 31, 2022	Shriram Capital Limited	70,437,147	26.04%	-1.59%
As at March 31, 2021	Shriram Capital Limited	66,964,947	26.46%	0.88%

30 EQUITY SHARE CAPITAL (Contd.)

h. Amount of per share dividend recognised as distribution to equity shareholders:-

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interim dividend for the year ended March 31, 2021 (Rs. per share)	-	12.00
Final dividend for the year ended March 31, 2021 (Rs. per share)	6.00	-
Interim dividend for the year ended March 31, 2022 (Rs. per share)	20.00	-
Final dividend for the year ended March 31, 2022 (Rs. per share)	-	-

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
31 OTHER EQUITY		
Share application money pending allotment	-	-
Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
Opening balance	**4,166.39**	**3,668.93**
Add: Transfer from retained earnings	541.59	497.46
Closing balance	**4,707.98**	**4,166.39**
Securities premium		
Opening balance	**3,201.27**	**1,754.81**
Add: Premium on shares issued during the year	2,482.54	1,466.01
Less: Share issue expenses incurred during the year	(21.43)	(19.55)
Closing balance	**5,662.38**	**3,201.27**
Capital reserve	**27.64**	**27.64**
Capital redemption Reserve	**53.88**	**53.88**
Debenture redemption Reserve		
Opening balance	**921.41**	**610.41**
Add: Transfer from retained earnings	170.31	337.87
Less: Transfer to retained earnings on account of redemption	(784.44)	(26.87)
Closing balance	**307.28**	**921.41**
General reserve		
Opening balance	**2,663.27**	**2,414.54**
Add: Transfer from retained earnings	270.80	248.73
Closing balance	**2,934.07**	**2,663.27**
Convertible Warrants		
Money received during the year	250.00	-
Shares allotted during the year	(250.00)	-
Closing balance	-	-
Remeasurement gain/(loss) on defined benefit plan (net of tax)		
Opening balance	**(9.12)**	**(9.32)**
Add: Addition during the year	(2.42)	-
Add: Share of other comprehensive income from associates (net of tax)	(0.02)	0.20
Closing balance	**(11.56)**	**(9.12)**
Other comprehensive income		
Effective portion of cash flow hedges		
Opening balance	**(93.02)**	-
Add: Addition during the year	(120.38)	(93.02)
Closing balance	**(213.40)**	**(93.02)**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
31 OTHER EQUITY (Contd.)		
Retained earnings		
Opening balance	**10,532.51**	**9,394.54**
Add: Profit for the current year	2,721.10	2,498.83
Add /(Less): Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(541.59)	(497.46)
Transfer to general reserve	(270.80)	(248.73)
Transfer (to)/from debenture redemption reserve	614.13	(311.00)
Interim dividend [March 31, 2022: Rs. 20.00 per share (March 31, 2021: Rs. 12.00 per share)]	(539.65)	(303.67)
Final dividend (March 31, 2021: Rs. 6.00 per share)	(160.23)	-
Total appropriations	**(898.14)**	**(1,360.86)**
Retained earnings	**12,355.47**	**10,532.51**
Total	**25,823.74**	**21,464.23**

Nature and purpose of reserves

Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

Capital redemption reserve: The Company has recognised Capital redemption reserve on redemption of non-convertible redeemable preference shares from its retained earnings. The amount in Capital redemption reserve is equal to nominal amount of the non-convertible redeemable preference shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve.

Debenture redemption reserve:

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture redemption reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the Balance sheet date.

(2) As per the notification G.S.R. 574(E) dated August 16, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR need not be created for debentures issued by a Non-Banking Finance Company subsequent to the notification date. The Company has not created DRR on public issue of non-convertible debentures issued after the date of said notification.

(3) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 170.31 crores (March 31, 2021: Rs. 337.87 crores). The Company subsequent to the year end has deposited a sum of Rs. 37.00 crores (March 31, 2021: Rs. 498.41 crores) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

(4) On redemption of the debentures for which the DRR is created, the amounts no longer necessary to be retained in this account need to be transferred to the Retained earnings.

General reserve: Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory reserve: Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

31 OTHER EQUITY (Contd.)

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Remeasurement gain/(loss) on defined benefit plan: Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Other comprehensive income: Other comprehensive income includes effective portion of cash flow hedges
Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to the statement of profit and loss only when the hedged transaction affects the statement of profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

(Rs. in crores)

Particulars	For the year ended March 31, 2022			Year ended March 31, 2021		
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
32 INTEREST INCOME						
Interest on loans	18,028.13	-	**18,028.13**	16,611.31	-	**16,611.31**
Interest income from investments	275.11	40.85	**315.96**	264.82	3.75	**268.57**
Interest on deposits with banks						
- Margin money deposit	155.53	-	**155.53**	137.34	-	**137.34**
- Deposits with banks	88.14	-	**88.14**	37.22	-	**37.22**
Other interest income						
- Delayed payments by customers	28.79	-	**28.79**	42.40	-	**42.40**
- Unwinding of security deposit	3.17	-	**3.17**	3.07	-	**3.07**
- Direct assignment	26.54	-	**26.54**	28.23	-	**28.23**
Total	**18,605.41**	**40.85**	**18,646.26**	**17,124.39**	**3.75**	**17,128.14**

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
33 FEE AND COMMISSION INCOME		
Income from commission services - life insurance	16.52	20.66
Income from commission services - general insurance	36.15	54.36
Income from loan related and other commission services	47.41	40.84
Total	**100.08**	**115.86**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Type of services or service		
Fee and commission income	100.08	115.86
Total revenue from contract with customers	**100.08**	**115.86**
Geographical markets		
- India	100.08	115.86
- Outside India	-	-
Total revenue from contract with customers	**100.08**	**115.86**
Timing of revenue recognition		
Services transferred at a point in time	100.08	115.86
Services transferred over time	-	-
Total revenue from contracts with customers	**100.08**	**115.86**

Contract balance

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	5.35	8.92
Contract assets	-	-

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
34 NET GAIN/ (LOSS) ON FAIR VALUE CHANGES		
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others:		
- Investment in shares, venture capital fund, mutual funds and certificate of deposits	236.83	22.87
- Direct assignment	(15.13)	(1.07)
Total Net gain/(loss) on fair value changes (C)	**221.70**	**21.80**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
34	**NET GAIN/ (LOSS) ON FAIR VALUE CHANGES (Contd.)**		
	Fair value changes:		
	- Realised	183.34	18.95
	- Unrealised	38.36	2.85
	Total Net gain/(loss) on fair value changes (D)	**221.70**	**21.80**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
35	**OTHER OPERATING INCOME**		
	Bad debt recovery	69.22	95.59
	Total	**69.22**	**95.59**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
36	**OTHER INCOME**		
	Interest others	0.15	1.74
	Miscellaneous income	18.91	14.21
	Total	**19.06**	**15.95**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
37	**FINANCE COSTS**		
	On Financial liabilities measured at amortised cost		
	Interest on deposits	1,710.15	1,169.47
	Interest on borrowings (other than debt securities)		
	- Loans from banks	1,042.07	1,239.18
	- Loans from institutions and others	377.99	153.59
	- External commercial borrowings	368.27	381.57
	- Interest paid on securitisation	1,766.19	2,161.71
	Interest on debt securities		
	- Debentures	1,780.59	1,768.36
	- Senior secured notes	90.86	102.06
	- External commercial bond	2,016.66	1,517.36
	- Commercial paper	40.90	3.63
	Interest on subordinated liabilities	508.66	525.27
	Other interest expense		
	- Interest on lease liability	31.97	32.06
	Total	**9,734.31**	**9,054.26**

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
38 FEES AND COMMISSION EXPENSES		
Brokerage	44.79	31.34
Professional charges-resource mobilisation	24.14	28.47
Processing charges on loans	4.52	1.85
Professional charges on securitisation	18.29	17.23
Total	**91.74**	**78.89**

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
39 IMPAIRMENT ON FINANCIAL INSTRUMENTS		
On financial instruments measured at amortised cost		
Loans (refer note 63)*	3,865.02	3,128.29
Investments	(2.00)	(4.22)
Others		
- Undrawn commitments	(4.00)	(5.45)
- Other assets	1.84	(0.22)
Total	**3,860.86**	**3,118.40**

* Includes loss on disposal of repossessed vehicles Rs. 492.30 crores for the year ended March 31, 2022 (March 31, 2021: Rs. 557.30 crores).

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

Year ended March 31, 2022

(Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective		
Loans and advances to customers measured at amortised cost	1,228.00	76.37	2,560.65	-	**3,865.02**
Debt instruments measured at amortised cost	(2.00)	-	-	-	**(2.00)**
Others					
- Undrawn commitments	(4.00)	-	-	-	**(4.00)**
- Others assets	-	-	-	1.84	**1.84**
Total impairment loss	**1,222.00**	**76.37**	**2,560.65**	**1.84**	**3,860.86**

Year ended March 31, 2021

(Rs. in crores)

Particulars	General approach			Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective		
Loans and advances to customers measured at amortised cost	1,290.89	538.51	1,298.89	-	**3,128.29**
Debt instruments measured at amortised cost	14.22	(18.44)	-	-	**(4.22)**
Others					
- Undrawn commitments	(5.45)	-	-	-	**(5.45)**
- Others assets	-	-	-	(0.22)	**(0.22)**
Total impairment loss	**1,299.66**	**520.07**	**1,298.89**	**(0.22)**	**3,118.40**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
40	**EMPLOYEE BENEFITS EXPENSES**		
	Salaries, other allowance and bonus	907.11	829.32
	Contribution to provident and other funds	59.60	53.36
	Staff welfare expenses	23.69	16.62
	Gratuity expenses (refer note 46)	6.69	6.95
	Total	**997.09**	**906.25**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
41	**DEPRECIATION, AMORTISATION AND IMPAIRMENT**		
	Depreciation of property, plant and equipment	44.91	48.26
	Depreciation of investment property	0.03	0.03
	Amortisation of intangible assets	1.57	1.34
	Depreciation on Right-of-use assets (refer note 18)	88.86	87.73
	Total	**135.37**	**137.36**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
42	**OTHER EXPENSES**		
	Rent (refer note 18)	3.24	9.24
	Rates and taxes	5.22	5.04
	Energy costs	16.45	15.21
	Repairs and maintenance	60.61	58.81
	Communication costs	34.28	39.97
	Printing and stationery	10.30	11.57
	Advertisement and publicity	7.31	2.01
	Director's fees, allowances and expenses	1.25	0.75
	Auditor fees and expenses (refer note 55, 56 and 57)		
	- As Auditor	0.99	0.93
	- For taxation matters	0.09	0.09
	- For other services (certification)	0.09	0.10
	- For reimbursement of expenses	0.02	-
	Legal and professional charges	111.54	111.27
	Other expenditure:		
	Travelling and conveyance	69.38	95.34
	Business promotion	93.16	59.30
	Outsourcing expenses	63.82	76.47
	Royalty	204.19	188.95
	Insurance	2.03	2.07
	Bank charges	38.51	34.40
	Loss on sale of property, plant and equipment (net)	0.79	0.65
	Service charges	50.35	47.95
	CSR expenses (refer note 61)	69.72	64.96
	Miscellaneous expenses	62.27	38.15
	Total	**905.61**	**863.23**

43 INCOME TAX

The components of income tax expense for the financial years ended March 31, 2022 and March 31, 2021 are:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	1,112.57	1,197.77
Adjustment in respect of current income tax of prior years	(82.32)	138.34
Deferred tax relating to origination and reversal of temporary differences	(188.93)	(545.36)
Total tax charge	**841.32**	**790.75**
Current tax	1,030.25	1,336.11
Deferred tax	(188.93)	(545.36)

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the financial years ended March 31, 2022 and March 31, 2021 is, as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	3,549.25	3,278.01
At India's statutory income tax rate of 25.168% (2021: 25.168%)	893.28	825.01
Adjustment in respect of current income tax of prior years	(82.32)	138.34
Income subject to tax at special rate	-	-
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	17.55	16.35
Adjustment in respect of prior years*	82.32	(138.34)
Others	(69.51)	(50.61)
Income tax expense reported in the statement of profit and loss	**841.32**	**790.75**

The effective income tax rate for is 23.70 % (March 31, 2021: 24.12%).

* Amount for the year ended March 31, 2021 includes adjustment on account of change in tax treatment of an item of deduction claimed in earlier assessment years under Income tax act, 1961 due to changes in facts and circumstances which had resulted in the reassessment of tax estimate as per Ind AS 12.

Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at March 31, 2022	As at March 31, 2022	Year ended March 31, 2022	Year ended March 31, 2022
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	25.23	-	(2.56)	-
Provision for post retirement benefits	10.20	-	0.46	(0.81)
Expenses allowable for tax purposes when paid	36.15	-	1.47	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	4.34	(3.27)	-

43 INCOME TAX (Contd.)

(Rs. in crores)

Particulars	Deferred tax assets As at March 31, 2022	Deferred tax liabilities As at March 31, 2022	Statement of profit and loss Year ended March 31, 2022	OCI Year ended March 31, 2022
Cash flow hedge reserve	71.77	-	-	(40.49)
Impairment allowance on loans and advances	762.27	-	(229.96)	-
Impairment allowance for undrawn commitments	10.75	-	1.51	-
Fair valuation on derecognition of financial instrument	-	47.61	35.82	-
Right-of-use assets	14.04	-	(1.35)	-
Other temporary differences	-	9.08	8.94	-
Total	**930.41**	**61.03**	**(188.94)**	**(41.30)**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(Rs. in crores)

Particulars	Deferred tax assets As at March 31, 2021	Deferred tax liabilities As at March 31, 2021	Statement of profit and loss Year ended March 31, 2021	OCI Year ended March 31, 2021
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	22.67	-	(3.22)	-
Provision for post retirement benefits	9.84	-	(0.42)	-
Expenses allowable for tax purposes when paid	37.60	-	(0.34)	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	7.61	(6.60)	-
Cash flow hedge reserve	31.29	-	-	(31.29)
Impairment allowance on loans and advances	532.32	-	(344.27)	-
Impairment allowance for undrawn commitments	12.26	-	(2.21)	-
Fair valuation of derivative financial instrument	-	11.80	11.80	-
Right-of-use assets	12.69	-	(3.88)	-
Other temporary differences	-	0.12	(196.22)	-
Total	**658.67**	**19.53**	**(545.36)**	**(31.29)**

Amounts recognised in respect of current tax / deferred tax directly in equity:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Amounts recognised in respect of current tax/deferred tax directly in equity	-	-

Tax losses

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Unused tax losses for which no deferred tax asset has been recognised	-	-

44 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net Profit after tax as per Statement of Profit and Loss (Rs. in crores) **(A)**	2,721.10	2,498.83
Weighted average number of equity shares for calculating basic EPS (in crores) **(B)**	26.62	24.63
Weighted average number of equity shares for calculating diluted EPS (in crores) **(C)**	26.62	24.63
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (B)**	102.23	101.44
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (C)**	102.23	101.44

45 INVESTMENT IN ASSOCIATES AND STRUCTURED ENTITIES

Associate of the Company is:

Name of the associate	Country of incorporation	Principal place of business	Principal activities	% equity interest March 31, 2022	% equity interest March 31, 2021
Shriram Automall India Limited (SAMIL)	India	New Delhi	Market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.	44.56%	44.56%

The Company has recognised its investment in associate under equity method and not adjusted to fair value at the end of each reporting period.

The Company's share in the associate is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021*
(a) share in profit or loss from continuing operations.	13.17	11.57
(b) share in post-tax profit or loss from discontinued operations.	-	-
(c) share in other comprehensive income.	(0.02)	0.20
(d) share in total comprehensive income.	13.15	11.77

*The financial statements of the associate for the financial year ended March 31, 2021 are as per unaudited financial statements provided by the management.

46 RETIREMENT BENEFIT PLAN

a) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 50.66 crores (March 31, 2021: Rs. 42.95 crores) for Provident fund contributions and Rs. 8.80 crores (March 31, 2021: Rs. 10.30 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

46 RETIREMENT BENEFIT PLAN (Contd.)

b) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The trust is in process of investing entire funds in government securities through third party fund managers and as on March 31, 2022, 94 % funds are invested in government securities and balance 6 % funds are invested in money market and corporate debt instruments. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current service cost	6.56	6.73
Interest expense	4.61	4.15
Interest Income	(4.48)	(3.93)
Past Service Cost	-	-
Components of defined benefit costs recognised in statement of profit and loss (A)	**6.69**	**6.95**
Remeasurement of gains/(losses) in other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expense)	(0.01)	(0.66)
Actuarial changes arising from changes in demographic assumptions	0.55	(1.40)
Actuarial changes arising from changes in financial assumptions	(3.57)	1.34
Experience adjustments	6.27	0.72
Components of defined benefit costs recognised in other comprehensive income (B)	**3.24**	-
Total (A+B)	**9.93**	**6.95**

Movement in the present value of the defined benefit obligation are as follows :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	72.88	63.25
Expenses recognised in statement of profit and loss :		
Current service cost	6.56	6.73
Interest expense/(income)	4.61	4.15
Recognised in other comprehensive income remeasurement gains/(losses)	3.25	0.66
Past service cost	-	-
Liability transferred in/acquisitions	-	0.01
Benefits paid from the fund	(5.10)	(1.92)
Present value of defined obligation at the end of the year	**82.20**	**72.88**

46 RETIREMENT BENEFIT PLAN (Contd.)

Change in the Fair value of plan assets :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the beginning of the year	**70.80**	**59.88**
Interest income	4.48	3.93
Contributions by the employer	9.77	8.25
Benefits paid from the fund	(5.10)	(1.92)
Return on plan assets excluding interest income	0.01	0.66
Fair value of plan assets at the end of the year	**79.96**	**70.80**

Calculation of benefit liability/(asset) :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation/ liability	82.20	72.88
Fair value of plan assets	79.96	70.80
Benefit liability	**2.24**	**2.08**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Expected return on plan assets	6.90%	6.33%
Rate of discounting	6.90%	6.33%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 25.00% p.a. and for service 5 years and above 7.25% p.a.	For service 4 years and below 25.00% p.a. and for service 5 years and above 6.50% p.a.
Mortality rate during employment	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

Investments quoted in active markets:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Government securities	75.16	60.76
Debt and other instruments	4.80	10.04
Total	**79.96**	**70.80**

46 RETIREMENT BENEFIT PLAN (Contd.)

(Rs. in crores)

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2022	Impact on defined benefit obligation March 31, 2021
Discount rate	1% increase	(5.63)	(5.50)
	1% decrease	6.46	6.37
Future salary increases	1% increase	6.44	6.32
	1% decrease	(5.70)	(5.55)
Attrition rate	1% increase	0.84	0.56
	1% decrease	(0.95)	(0.64)

(Rs. in crores)

Expected payment for future years	As at March 31, 2022	As at March 31, 2021
Within the next 12 months (next annual reporting period)	8.31	7.30
Between 2 and 5 years	29.15	22.48
Between 5 and 10 years	34.24	28.17
Beyond 10 years	83.99	80.13
Total expected payments	**155.69**	**138.08**

The Company expects to contribute Rs. 9.58 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2022 is 9 years (March 31, 2021: 10 years).

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

c) Compensated Absences

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Rate of discounting	6.90%	6.33%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	25.00%	25.00%
Service 5 years and above	7.25%	6.50%
Mortality	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2006-08)

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Expenses recognised in statement of profit and loss	17.32	15.33

46 RETIREMENT BENEFIT PLAN (Contd.)

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2022.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in crores)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	10,662.44	-	**10,662.44**	11,050.93	-	**11,050.93**
Bank balance other than above	5,133.24	559.48	**5,692.72**	4,886.78	504.11	**5,390.89**
Derivative financial instruments	-	201.40	**201.40**	100.51	68.74	**169.25**
Receivables						
(I) Trade receivables	5.35	-	**5.35**	8.92	-	**8.92**
(II) Other receivables	103.24	89.43	**192.67**	49.90	-	**49.90**
Loans	41,448.37	75,216.78	**116,665.15**	37,930.19	70,372.85	**108,303.04**
Investments	2,943.69	4,027.54	**6,971.23**	523.21	2,823.56	**3,346.77**
Other financial assets	-	51.45	**51.45**	2.07	46.96	**49.03**
Non-financial Assets						
Current tax asset	-	228.24	**228.24**	-	171.73	**171.73**
Deferred tax assets (net)	-	869.38	**869.38**	-	639.14	**639.14**
Investment property	-	1.97	**1.97**	-	2.00	**2.00**
Property, plant and equipment	-	110.56	**110.56**	-	124.44	**124.44**
Right-of-use assets	-	302.52	**302.52**	-	308.51	**308.51**
Other intangible assets	-	3.04	**3.04**	-	2.39	**2.39**
Other non-financial assets	41.50	268.54	**310.04**	124.16	169.16	**293.32**
Total assets	**60,337.83**	**81,930.33**	**142,268.16**	**54,676.67**	**75,233.59**	**129,910.26**
Liabilities						
Financial Liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.02	-	**0.02**	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	165.70	0.31	**166.01**	152.52	-	**152.52**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	1.46	-	**1.46**	0.37	-	**0.37**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.21	-	**1.21**	0.54	-	**0.54**
Debt securities	11,901.72	29,354.83	**41,256.55**	12,471.61	27,590.26	**40,061.87**
Borrowings (other than debt securities)	19,869.86	26,807.07	**46,676.93**	20,285.69	24,995.68	**45,281.37**
Deposits	6,755.55	15,193.43	**21,948.98**	5,494.92	10,737.49	**16,232.41**
Subordinated liabilities	308.71	4,305.54	**4,614.25**	69.31	4,551.45	**4,620.76**
Lease liabilities	74.93	274.50	**349.43**	74.29	275.20	**349.49**
Other financial liabilities	755.06	104.58	**859.64**	1,014.97	134.85	**1,149.82**

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-financial Liabilities						
Current tax liabilities (net)	36.82	-	**36.82**	102.02	-	**102.02**
Provisions	99.87	38.31	**138.18**	105.52	37.02	**142.54**
Other non-financial liabilities	124.42	-	**124.42**	99.26	-	**99.26**
Total Liabilities	**40,095.33**	**76,078.57**	**116,173.90**	**39,871.02**	**68,321.95**	**108,192.97**
Net	**20,242.50**	**5,851.76**	**26,094.26**	**14,805.65**	**6,911.64**	**21,717.29**

48 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Rs. in crores)

Particulars	As at March 31, 2021	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2022
Debt securities	40,061.87	655.45	-	-	539.23	41,256.55
Borrowings (other than debt securities)	45,281.37	1,282.92	-	-	112.64	46,676.93
Deposits	16,232.41	5,753.63	-	-	(37.06)	21,948.98
Subordinated liabilities	4,620.76	(51.96)	-	-	45.45	4,614.25
Lease liabilities	349.49	(109.13)	-	-	109.07	349.43
Total liabilities from financing activities	**106,545.90**	**7,530.91**	**-**	**-**	**769.33**	**114,846.14**

(Rs. in crores)

Particulars	As at March 31, 2020	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2021
Debt securities	34,266.96	4,838.70	-	-	956.21	40,061.87
Borrowings (other than debt securities)	42,474.60	2,447.10	-	-	359.67	45,281.37
Deposits	11,960.12	4,206.86	-	-	65.43	16,232.41
Subordinated liabilities	5,670.07	(1,069.27)	-	-	19.96	4,620.76
Lease liabilities	362.81	(96.16)	-	-	82.84	349.49
Total liabilities from financing activities	**94,734.56**	**10,327.23**	**-**	**-**	**1,484.11**	**106,545.90**

49 CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent liabilities

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
a.	In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	175.46	133.64
b.	VAT demand where the Company and its associate have filed appeal before various appellates	117.54	117.54
c.	Service tax demands where the Company and its associate have filed appeal before various authorities	1,976.63	1,976.63
d.	Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	5.00
	Total	**2,274.63**	**2,232.81**

49 CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Company and its associate to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings. The Company and its associate do not expect any reimbursement in respect of the above contingent liabilities. The Company and its associate are of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the financial position and results of operations of the Company and its associate.

(B) Commitments not provided for

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	11.72	3.82
b. Commitments related to loans sanctioned but undrawn	92.43	148.66

50 RELATED PARTY DISCLOSURES

Relationship		Name of the party
I	Promoter	: Shriram Capital Limited
II	Promoter Group	: Shriram Financial Ventures (Chennai) Private Limited
		Shriram Value Services Limited
		Novac Technology Solutions (P) Limited
		Shriram Fortune Solutions Limited
		Shriram General Insurance Company Limited
		Shriram Insight Share Brokers Limited
		Shriram Life Insurance Company Limited
		Shriram Asset Management Company Limited
		Shriram Financial Products Solutions (Chennai) Private Limited
		Insight Commodities and Futures Private Limited
		Shriram Credit Company Limited
		Shriram Overseas Investments Private Limited
		Shriram Wealth Limited (formerly known as Shriram Wealth Advisors Limited)
		Bharath Investments Pte. Ltd., Singapore
		SGI Philippines General Insurance Co. Inc.
		Novac Digital Service Private Limited
		Shriram LI Holdings Private Limited (formerly Snotter Technology Services Private Limited)
		SEA Funds Management India Private Limited
		Way2wealth Insurance Brokers Private Limited
		Way2wealth Securities Private Limited
		Way2wealth Brokers Private Limited
		Way2wealth Commodities Private Limited
		Shriram GI Holdings Private Limited (formerly Oner Infotech Services Private Limited)
		Shriram Investment Holdings Limited (w.e.f. October 11, 2021)

50 RELATED PARTY DISCLOSURES (Contd.)

III	Associates	: Shriram Automall India Limited (SAMIL) Cartradeexchange Solutions Private Limited Adroit Inspection Service Private Limited Augeo Asset Management Private Limited
IV	Key Management Personnel (KMP)	: Mr. Umesh Revankar, Vice Chairman & Managing Director (MD) Mr. S. Lakshminarayanan, Chairman Mr. Y. S. Chakravarti (w.e.f. December 13, 2021) Mr. Parag Sharma (w.e.f. December 13, 2021) Mrs. Kishori Udeshi Mr. S. Sridhar Mr. Pradeep Kumar Panja Mr. D. V. Ravi Mr. Ignatius Michael Viljoen Mr. S. Sunder (w.e.f. November 01, 2021) Mr. P. Sridharan (w.e.f. November 01, 2021) Mr. Sudarshan Holla (w.e.f. November 01, 2021) Mr. Nilesh Odedara (w.e.f. November 01, 2021) Mr. U. Balasundara Rao (w.e.f. November 01, 2021) Mr. Hardeep Singh Tur (w.e.f. November 01, 2021)
V	Relatives of Key Management Personnel*	: Mrs. Suchita U. Revankar (spouse of Vice Chairman & MD) Mrs. Geeta G. Revankar (mother of Vice Chairman & MD) Mr. Anil G. Revankar (brother of Vice Chairman & MD) Mr. Shreyas U. Revankar (son of Vice Chairman & MD) Mr. Shirish U. Revankar (son of Vice Chairman & MD) Mr. Jayendra Purshottamdas Udeshi (spouse of Director Mrs. Kishori Udeshi) Mrs. P Suchitra (sister of Director Mr. Pradeep Kumar Panja) Mrs. P Surekha (sister of Director Mr. Pradeep Kumar Panja) Mrs. Rama Sharma (mother of Director Mr. Parag Sharma) Ms. Atibhi Sharma (daughter of Director Mr. Parag Sharma) Mr. Amit Sharma (brother of Director Mr. Parag Sharma) Mrs. Sujatha Sunder (spouse of Joint Managing Director Mr. S. Sunder) Mrs. S. Arulmozhi (spouse of Joint Managing Director Mr. P Sridharan)
VI	Employees' Benefit Plan	: Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme

*Names of relatives of Key Management Personnel with whom the Company has transactions

50 RELATED PARTY DISCLOSURES (Contd.)

Summary of related party transactions

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Payments/Expenses														
Payment to key management personnel	-	-	-	-	-	-	-	-	4.80	1.68	-	-	**4.80**	**1.68**
Royalty	-	-	187.67	173.35	-	-	-	-	-	-	-	-	**187.67**	**173.35**
Service charges	46.19	43.99	-	-	-	-	-	-	-	-	-	-	**46.19**	**43.99**
I.T & BPO charges	-	-	55.86	68.03	-	-	-	-	-	-	-	-	**55.86**	**68.03**
Rent	-	0.26	0.02	0.02	11.36	7.94	-	-	-	-	-	-	**11.38**	**8.22**
Business mobilisation expenses	-	-	-	-	0.07	0.02	-	-	-	-	-	-	**0.07**	**0.02**
Other administrative expenses	-	0.03	-	-	11.09	10.28	-	-	-	-	-	-	**11.09**	**10.31**
Insurance premium	-	-	9.62	9.46	-	-	-	-	-	-	-	-	**9.62**	**9.46**
Commission	-	-	100.94	67.55	1.10	-	-	-	-	-	-	-	**102.04**	**67.55**
Sales promotion	-	-	31.84	21.20	-	-	-	-	-	-	-	-	**31.84**	**21.20**
Unsecured loan and advances repaid	-	-	-	-	21.01	-	-	-	-	-	-	-	**21.01**	**-**
Valuation charges	-	-	-	-	0.72	0.44	-	-	-	-	-	-	**0.72**	**0.44**
Interest	0.91	0.01	60.60	47.17	3.52	5.46	-	-	0.83	0.20	0.09	0.01	**65.95**	**52.85**
Equity dividend	219.84	37.17	0.11	0.03	-	-	-	-	0.10	-	0.00	0.00	**220.05**	**37.20**
Non-convertible debenture (secured) matured	10.00	-	38.36	0.19	5.00	-	-	-	2.21	-	0.10	-	**55.67**	**0.19**
Fixed deposit matured	-	-	1.50	-	-	-	-	-	0.50	0.75	0.26	0.03	**2.26**	**0.78**
Subordinated debt matured	-	0.37	-	31.50	-	1.39	-	-	-	-	-	-	**-**	**33.26**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.77	8.25	-	-	-	-	**9.77**	**8.25**
Inter-corporate deposits repaid	-	-	-	-	84.60	90.85	-	-	-	-	-	-	**84.60**	**90.85**
Receipts/Income														
Recovery of common sharing expenses	0.02	0.01	0.95	1.12	0.59	0.47	-	-	-	-	-	-	**1.56**	**1.60**
Reimbursement of expenses	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**	**-**
Sale of Property, Plant & Equipment	-	-	0.00	-	-	-	-	-	-	-	-	-	**0.00**	**-**
Rent & electricity	0.17	0.16	-	-	4.18	4.67	-	-	-	-	-	-	**4.35**	**4.83**
Commission	-	-	49.60	71.46	-	-	-	-	-	-	-	-	**49.60**	**71.46**
Non-convertible debenture (secured)	-	-	-	35.00	-	-	-	-	-	-	-	-	**-**	**35.00**
Fixed deposit	-	-	15.63	12.30	65.50	20.00	-	-	0.26	1.08	0.97	0.08	**82.36**	**33.46**
Unsecured loan and advances repaid	-	-	-	-	-	15.06	-	-	-	-	-	-	**-**	**15.06**
Received towards right issue	-	425.22	-	0.39	-	-	-	-	-	-	-	0.00	**-**	**425.61**
Received towards preferential issue	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	**-**
Received towards convertible warrants	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	**-**
Inter-corporate deposits received	-	-	-	-	62.75	102.30	-	-	-	-	-	-	**62.75**	**102.30**
Balance outstanding at the year end														
Share capital	70.44	66.96	1.06	0.06	-	-	-	-	0.05	-	0.00	0.00	**71.55**	**67.02**
Investment in equity shares	-	-	-	-	175.44	162.29	-	-	-	-	-	-	**175.44**	**162.29**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Unsecured loan and advances payable	-	-	-	-	0.91	1.23	-	-	-	-	-	-	0.91	1.23
Commission receivable	-	-	4.67	8.16	-	-	-	-	-	-	-	-	4.67	8.16
Prepaid for insurance premium	-	-	-	2.73	-	-	-	-	-	-	-	-	-	2.73
Outstanding expenses	11.41	11.16	88.84	72.96	-	0.03	-	-	-	-	-	-	100.25	84.15
Fixed deposit *														
Public deposit	-	-	-	-	-	-	-	-	1.47	1.70	1.55	0.19	3.02	1.89
Deposit from corporates	-	-	29.57	14.34	89.37	20.00	-	-	-	-	-	-	118.94	34.34
Subordinated debt *	-	-	516.07	495.36	-	-	-	-	-	-	-	-	516.07	495.36
Non-convertible debenture (secured)*														
Public issue	-	-	29.28	43.18	17.86	23.17	-	-	0.13	2.86	0.09	-	47.36	69.21
Privately placed	-	-	10.01	10.01	-	-	-	-	-	-	-	-	10.01	10.01
Inter-corporate deposits *	-	-	-	-	27.45	49.59	-	-	-	-	-	-	27.45	49.59

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

There were no guarantees given on behalf of related parties during the year.

The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2022 and March 31, 2021.

* Refer note 22 Debt securities, note 24 Deposits and note 25 Subordinated liabilities, for terms and conditions of non-convertible debentures, fixed deposit, inter-corporate deposits and subordinated debt respectively.

Breakup of related party transactions

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Payments/Expenses														
Employee benefits for key management personnel														
- Short term benefits	-	-	-	-	-	-	-	-	3.22	0.83	-	-	3.22	0.83
- Post employment benefits	-	-	-	-	-	-	-	-	0.43	0.16	-	-	0.43	0.16
Commission & sitting fee paid to directors														
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	0.31	0.16	-	-	0.31	0.16
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.26	0.18	-	-	0.26	0.18
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.30	0.17	-	-	0.30	0.17
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.28	0.18	-	-	0.28	0.18
License fees														
- Shriram Value Services Limited	-	-	187.67	173.35	-	-	-	-	-	-	-	-	187.67	173.35
Service charges														
- Shriram Capital Limited	46.19	43.99	-	-	-	-	-	-	-	-	-	-	46.19	43.99
Voice call services														
- Novac Technology Solutions (P) Limited	-	-	8.91	24.37	-	-	-	-	-	-	-	-	8.91	24.37

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
IT & BPO charges														
- Novac Technology Solutions (P) Limited	-	-	46.96	43.66	-	-	-	-	-	-	-	-	**46.96**	**43.66**
Rent				-										
- Shriram Automall India Limited	-	-	-	-	11.36	7.94	-	-	-	-	-	-	**11.36**	**7.94**
- Shriram Capital Limited	-	0.26	-	-	-	-	-	-	-	-	-	-	**-**	**0.26**
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	**0.02**	**0.02**
Business mobilisation expenses														
- Shriram Automall India Limited	-	-	-	-	0.07	0.02	-	-	-	-	-	-	**0.07**	**0.02**
Other administrative expenses														
- Shriram Capital Limited	-	0.03	-	-	-	-	-	-	-	-	-	-	**-**	**0.03**
- Shriram Automall India Limited	-	-	-	-	11.09	10.28	-	-	-	-	-	-	**11.09**	**10.28**
Insurance premium														
- Shriram Life Insurance Company Limited	-	-	5.99	5.40	-	-	-	-	-	-	-	-	**5.99**	**5.40**
- Shriram General Insurance Company Limited	-	-	3.63	4.06	-	-	-	-	-	-	-	-	**3.63**	**4.06**
Commission														
- Shriram Fortune Solutions Limited	-	-	82.04	51.21	-	-	-	-	-	-	-	-	**82.04**	**51.21**
- Adroit Inspection Service Private Limited	-	-	-	-	1.10	-	-	-	-	-	-	-	**1.10**	**-**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	7.92	9.10	-	-	-	-	-	-	-	-	**7.92**	**9.10**
- Shriram Insight Share Brokers Limited	-	-	8.23	6.56	-	-	-	-	-	-	-	-	**8.23**	**6.56**
- Shriram Wealth Limited	-	-	2.56	0.68	-	-	-	-	-	-	-	-	**2.56**	**0.68**
- Way2wealth Securities Private Limited	-	-	0.19	-	-	-	-	-	-	-	-	-	**0.19**	**-**
Sales promotion														
- Shriram Fortune Solutions Limited	-	-	23.99	15.91	-	-	-	-	-	-	-	-	**23.99**	**15.91**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	5.16	3.48	-	-	-	-	-	-	-	-	**5.16**	**3.48**
- Shriram Insight Share Brokers Limited	-	-	2.04	1.68	-	-	-	-	-	-	-	-	**2.04**	**1.68**
- Shriram Wealth Limited	-	-	0.59	0.13	-	-	-	-	-	-	-	-	**0.59**	**0.13**
- Way2wealth Securities Private Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**	**-**
Unsecured loan and advances repaid														
- Shriram Automall India Limited	-	-	-	-	21.01	-	-	-	-	-	-	-	**21.01**	**-**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Interest on Inter-corporate deposits														
- Shriram Automall India Limited	-	-	-	-	1.28	3.63	-	-	-	-	-	-	**1.28**	**3.63**
Valuation charges paid														
- Adroit Inspection Service Private Limited	-	-	-	-	0.72	0.44	-	-	-	-	-	-	**0.72**	**0.44**
Interest on fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.15	0.20	-	-	**0.15**	**0.20**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.06	0.01	**0.06**	**0.01**
- Shriram Asset management Company Limited	-	-	0.26	-	-	-	-	-	-	-	-	-	**0.26**	-
Interest on subordinated debt														
- Shriram Automall India Limited	-	-	-	-	-	0.17	-	-	-	-	-	-	-	**0.17**
- Shriram Capital Limited	-	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**
- Shriram Life Insurance Company Limited	-	-	12.38	10.36	-	-	-	-	-	-	-	-	**12.38**	**10.36**
- Shriram General Insurance Company Limited	-	-	34.41	32.27	-	-	-	-	-	-	-	-	**34.41**	**32.27**
Interest on non-convertible debenture - (secured)														
- Shriram Life Insurance Company Limited	-	-	3.22	3.22	-	-	-	-	-	-	-	-	**3.22**	**3.22**
- Shriram Asset Management Company Limited	-	-	1.42	1.27	-	-	-	-	-	-	-	-	**1.42**	**1.27**
- Shriram Insight Share Brokers Limited	-	-	0.05	0.05	-	-	-	-	-	-	-	-	**0.05**	**0.05**
- Shriram Automall India Limited	-	-	-	-	2.24	1.66	-	-	-	-	-	-	**2.24**	**1.66**
- Shriram Capital Limited	0.91	-	-	-	-	-	-	-	-	-	-	-	**0.91**	-
- Shriram Value Services Limited	-	-	8.86	-	-	-	-	-	-	-	-	-	**8.86**	-
- Key management personnel														
- Mr.Umesh Revankar	-	-	-	-	-	-	-	-	0.62	-	-	-	**0.62**	-
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.03	-	-	-	**0.03**	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.03	-	-	-	**0.03**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.03	-	**0.03**	-
Equity dividend														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Key management personnel														
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.09	-	-	-	**0.09**	-
- Mr. S.Sunder	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. P.Sridharan	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. U.Balasundara Rao	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Shriram Capital Limited	219.84	37.17	-	-	-	-	-	-	-	-	-	-	**219.84**	**37.17**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.11	0.03	-	-	-	-	-	-	-	-	**0.11**	**0.03**
Non-convertible debenture (secured) matured														
- Shriram Insight Share Brokers Limited	-	-	0.52	0.19	-	-	-	-	-	-	-	-	**0.52**	**0.19**
- Shriram Capital Limited	10.00	-	-	-	-	-	-	-	-	-	-	-	**10.00**	-
- Shriram Asset management Company Limited	-	-	12.84	-	-	-	-	-	-	-	-	-	**12.84**	-
- Shriram Automall India Limited	-	-	-	-	5.00	-	-	-	-	-	-	-	**5.00**	-
- Shriram Value Services Limited	-	-	25.00	-	-	-	-	-	-	-	-	-	**25.00**	-
- Key management personnel														
- Mr. Umesh Revankar	-	-	-	-	-	-	-	-	2.00	-	-	-	**2.00**	-
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.11	-	-	-	**0.11**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.10	-	**0.10**	-
Fixed deposit matured														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.50	0.75	-	-	**0.50**	**0.75**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.26	0.03	**0.26**	**0.03**
- Shriram Asset management Company Limited	-	-	1.50	-	-	-	-	-	-	-	-	-	**1.50**	-
Subordinated debt matured														
- Shriram Capital Limited	-	0.37	-	-	-	-	-	-	-	-	-	-	-	**0.37**
- Shriram Automall India Limited	-	-	-	-	-	1.39	-	-	-	-	-	-	-	**1.39**
- Shriram General Insurance Company Limited	-	-	-	25.00	-	-	-	-	-	-	-	-	-	**25.00**
- Shriram Life Insurance Company Limited	-	-	-	6.50	-	-	-	-	-	-	-	-	-	**6.50**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.77	8.25	-	-	-	-	**9.77**	**8.25**
Inter-corporate deposits repaid														
- Shriram Automall India Limited	-	-	-	-	84.60	90.85	-	-	-	-	-	-	**84.60**	**90.85**
TOTAL	**276.94**	**81.83**	**486.52**	**418.50**	**138.46**	**116.38**	**9.77**	**8.25**	**8.44**	**2.63**	**0.45**	**0.04**	**920.58**	**627.63**
Receipts/Income														
Recovery of common sharing expenses														
- Shriram Automall India Limited	-	-	-	-	0.59	0.47	-	-	-	-	-	-	**0.59**	**0.47**
- Shriram Capital Limited	0.02	0.01	-	-	-	-	-	-	-	-	-	-	**0.02**	**0.01**
- Shriram Asset Management Company Limited	-	-	-	0.06	-	-	-	-	-	-	-	-	-	**0.06**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
- Shriram Insight Share Brokers Limited	-	-	0.03	0.02	-	-	-	-	-	-	-	-	**0.03**	**0.02**
- Shriram Fortune Solutions Limited	-	-	0.92	1.04	-	-	-	-	-	-	-	-	**0.92**	**1.04**
Reimbursement of expenses														
- Shriram Capital Limited	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**	**-**
Sale of Property, Plant & Equipment														
- Novac Technology Solutions (P) Limited	-	-	0.00	-	-	-	-	-	-	-	-	-	**0.00**	**-**
Rent & electricity														
- Shriram Capital Limited	0.17	0.16	-	-	-	-	-	-	-	-	-	-	**0.17**	**0.16**
- Shriram Automall India Limited	-	-	-	-	4.18	4.67	-	-	-	-	-	-	**4.18**	**4.67**
Commission														
- Shriram General Insurance Company Limited	-	-	33.08	50.80	-	-	-	-	-	-	-	-	**33.08**	**50.80**
- Shriram Life Insurance Company Limited	-	-	16.52	20.66	-	-	-	-	-	-	-	-	**16.52**	**20.66**
Non-convertible debenture - (secured)														
- Shriram Life Insurance Company Limited	-	-	-	35.00	-	-	-	-	-	-	-	-	**-**	**35.00**
Fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.25	0.93	-	-	**0.25**	**0.93**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	0.05	-	-	**-**	**0.05**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	0.10	-	-	**-**	**0.10**
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	0.01	-	-	-	**0.01**	**-**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.97	0.08	**0.97**	**0.08**
- Shriram Asset Management Company Limited	-	-	15.63	12.30	-	-	-	-	-	-	-	-	**15.63**	**12.30**
- Shriram Automall India Limited	-	-	-	-	54.00	20.00	-	-	-	-	-	-	**54.00**	**20.00**
- Cartradeexchange Solutions Private Limited	-	-	-	-	11.50	-	-	-	-	-	-	-	**11.50**	**-**
Unsecured loan and advances repaid														
- Shriram Automall India Limited	-	-	-	-	-	15.06	-	-	-	-	-	-	**-**	**15.06**
Received towards right issue														
- Shriram Capital Limited	-	425.22	-	-	-	-	-	-	-	-	-	-	**-**	**425.22**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	-	0.39	-	-	-	-	-	-	-	-	**-**	**0.39**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	**0.00**	**-**	**0.00**
Received towards preferential issue														
- Shriram Capital Limited	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	**-**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Received towards convertible warrants														
- Shriram Capital Limited	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	-
Inter-corporate deposits														
- Shriram Automall India Limited	-	-	-	-	62.75	102.30	-	-	-	-	-	-	**62.75**	**102.30**
TOTAL	**500.19**	**425.39**	**66.18**	**120.27**	**133.02**	**142.50**	-	-	**0.26**	**1.08**	**0.97**	**0.08**	**700.63**	**689.32**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2022 and March 31, 2021.

Breakup of related party transactions

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Balance outstanding at the year end														
Share capital														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Key management personnel	-		-		-		-		-		-			
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.05	-	-	-	**0.05**	-
- Mr. S.Sunder	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. P.Sridharan	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. U.Balasundara Rao	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Shriram Capital Limited	70.44	66.96	-	-	-	-	-	-	-	-	-	-	**70.44**	**66.96**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	-	0.06	-	-	-	-	-	-	-	-	-	**0.06**
- Shriram Value Services Limited	-	-	1.06	-	-	-	-	-	-	-	-	-	**1.06**	-
Investment in equity shares														
- Shriram Automall India Limited	-	-	-	-	175.44	162.29	-	-	-	-	-	-	**175.44**	**162.29**
Unsecured loan and advances payable														
- Shriram Automall India Limited	-	-	-	-	0.91	1.23	-	-	-	-	-	-	**0.91**	**1.23**
Commission receivable														
- Shriram General Insurance Company Limited	-	-	3.21	6.10	-	-	-	-	-	-	-	-	**3.21**	**6.10**
- Shriram Life Insurance Company Limited	-	-	1.46	2.06	-	-	-	-	-	-	-	-	**1.46**	**2.06**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Prepaid for insurance premium														
- Shriram General Insurance Company Limited	-	-	-	1.71	-	-	-	-	-	-	-	-	**-**	**1.71**
- Shriram Life Insurance Company Limited	-	-	-	1.02	-	-	-	-	-	-	-	-	**-**	**1.02**
Outstanding expenses														
- Shriram Capital Limited	11.41	11.16	-	-	-	-	-	-	-	-	-	-	**11.41**	**11.16**
- Shriram Value Services Limited	-	-	77.85	50.35	-	-	-	-	-	-	-	-	**77.85**	**50.35**
- Novac Technology Solutions (P) Limited	-	-	1.96	8.19	-	-	-	-	-	-	-	-	**1.96**	**8.19**
- Shriram Fortune Solutions Limited	-	-	6.37	11.05	-	-	-	-	-	-	-	-	**6.37**	**11.05**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	1.85	2.17	-	-	-	-	-	-	-	-	**1.85**	**2.17**
- Shriram Insight Share Brokers Limited	-	-	0.65	1.03	-	-	-	-	-	-	-	-	**0.65**	**1.03**
- Adroit Inspection Service Private Limited	-	-	-	-	-	0.03	-	-	-	-	-	-	**-**	**0.03**
- Shriram Wealth Limited	-	-	0.08	0.17	-	-	-	-	-	-	-	-	**0.08**	**0.17**
- Way2wealth Securities Private Limited	-	-	0.08	-	-	-	-	-	-	-	-	-	**0.08**	**-**
Fixed deposit														
- Key management personnel	-		-		-		-		-		-			
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	1.27	1.55	-	-	**1.27**	**1.55**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.06	0.05	-	-	**0.06**	**0.05**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.11	0.10	-	-	**0.11**	**0.10**
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	**-**
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	0.03	-	-	-	**0.03**	**-**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	1.55	0.19	**1.55**	**0.19**
- Shriram Asset Management Company Limited	-	-	29.57	14.34	-	-	-	-	-	-	-	-	**29.57**	**14.34**
- Shriram Automall India Limited	-	-	-	-	77.45	20.00	-	-	-	-	-	-	**77.45**	**20.00**
- Cartradeexchange Solutions Private Limited	-	-	-	-	11.92	-	-	-	-	-	-	-	**11.92**	**-**
Non-convertible debenture (secured)														
- Key management personnel	-		-		-		-		-		-			
- Mr. Umesh Revankar	-	-	-	-	-	-	-	-	-	2.49	-	-	**-**	**2.49**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	0.13	-	-	**-**	**0.13**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.13	0.24	-	-	**0.13**	**0.24**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.09	-	**0.09**	-
- Shriram Life Insurance Company Limited	-	-	36.71	36.71	-	-	-	-	-	-	-	-	**36.71**	**36.71**
- Shriram Asset Management Company Limited	-	-	2.50	15.85	-	-	-	-	-	-	-	-	**2.50**	**15.85**
- Shriram Insight Share Brokers Limited	-	-	0.08	0.63	-	-	-	-	-	-	-	-	**0.08**	**0.63**
- Shriram Automall India Limited	-	-	-	-	17.86	23.17	-	-	-	-	-	-	**17.86**	**23.17**
Subordinated debt														
- Shriram Life Insurance Company Limited	-	-	149.04	126.63	-	-	-	-	-	-	-	-	**149.04**	**126.63**
- Shriram General Insurance Company Limited	-	-	367.03	368.73	-	-	-	-	-	-	-	-	**367.03**	**368.73**
Inter-corporate deposits														
- Shriram Automall India Limited	-	-	-	-	27.45	49.59	-	-	-	-	-	-	**27.45**	**49.59**

Income /expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2022 and March 31, 2021.

50 RELATED PARTY DISCLOSURES (Contd.)

Disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. Disclosures relating Loans and Advances /Investments

(Rs. in crores)

Sl No.	Loans and Advances in the nature of Loans	Maximum Amount Outstanding during the year March 2022	Maximum Amount Outstanding during the year March 2021
A)	To Associate		
	- Shriram Automall India Limited	-	0.38

II. Shriram Transport Finance Company Limited (STFC) holds 44.56 % of equity shares of the company. Disclosure relating to transactions with STFC is given above.

51 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board.

52 FAIR VALUE MEASUREMENT

52.01: Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 6.1 (xiii).

52.02: Fair value hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2022

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	97.84	-	**97.84**
Currency swaps	-	(276.95)	-	**(276.95)**
Interest rate swaps	-	3.18	-	**3.18**
Cross currency interest rate swaps	-	364.13	-	**364.13**
Interest rate caps	-	13.20	-	**13.20**
Total derivative financial instruments	**-**	**201.40**	**-**	**201.40**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	1,523.02	-	-	**1,523.02**
Equity instruments	-	-	23.89	**23.89**
Certificate of deposits	-	822.29	-	**822.29**
Venture capital fund	-	1.53	-	**1.53**
Total financial assets held for trading	**1,523.02**	**823.82**	**23.89**	**2,370.73**
Total assets measured at fair value on a recurring basis	**1,523.02**	**1,025.22**	**23.89**	**2,572.13**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	**1,523.02**	**1,025.22**	**23.89**	**2,572.13**

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

As at March 31, 2021

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	79.37	-	**79.37**
Currency swaps	-	(103.23)	-	**(103.23)**
Interest rate swaps	-	9.72	-	**9.72**
Cross currency interest rate swaps	-	181.54	-	**181.54**
Interest rate caps	-	1.85	-	**1.85**
Total derivative financial instruments	-	**169.25**	-	**169.25**
Financial assets held for trading				
Mutual funds	-	-	-	-
Equity instruments	-	-	6.74	**6.74**
Venture capital fund	-	1.54	-	**1.54**
Total financial assets held for trading	-	**1.54**	**6.74**	**8.28**
Total assets measured at fair value on a recurring basis	-	**170.79**	**6.74**	**177.53**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	-	**170.79**	**6.74**	**177.53**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

52.03: Valuation techniques

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Investment in Mutual funds/ Equity instruments

Investment in units of mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies derivative financial instruments as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Certificate of deposits (CDs)

Certificate of deposits are short-term financial instruments issued by Banks. Financial Benchmark India Private Ltd (FBIL) has developed the FBIL-CD, a new benchmark for the money market based on traded CDs reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform of The Clearing Corporation of India Ltd (CCIL). FBIL-CD is announced for seven tenors of 14 days, 1 month, 2 months, 3 months, 6 months, 9 months and 12 months. For valuation, the Company uses FBIL-CD benchmark and based on that benchmark the Company interpolates and calculates CD prices corresponding to their residual maturities and such instruments are classified as Level 2.

52.04: Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

52.05: Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

52 FAIR VALUE MEASUREMENT (Contd.)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(Rs. in crores)

Particulars	Equity instruments	
	As at March 31, 2022	As at March 31, 2021
Opening balance	**6.74**	**3.36**
Purchase	-	-
Sales	-	-
Issuances	-	-
Settlements	-	-
Transfers into level 3	-	-
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Unrealised gains and losses related to balances held at the end of the year	**17.15**	**3.38**
Closing balance	**23.89**	**6.74**

52.06: Impact of changes to key assumptions on fair value of level 3 financial instruments measured at fair value

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(Rs. in crores)

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 assets		
	As at March 31, 2022	As at March 31, 2021		
Equity instruments	23.89	6.74	Based on the discounted cashflow	Based on the discounted cashflow

52.07: Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/ unfavourable range.

The table below shows data in relation to level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

(Rs. in crores)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
Equity instruments based on the discounted cashflow	25.03	22.64	7.11	6.39

52 FAIR VALUE MEASUREMENT (Contd.)

52.08: Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non-financial liabilities.

(Rs. in crores)

As at March 31, 2022	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	10,662.44	5,953.99	4,701.32	-	**10,655.31**
Bank balance other than cash and cash equivalents	5,692.72	9.72	5,126.81	-	**5,136.53**
Trade receivables	5.35	-	-	5.35	**5.35**
Other receivables	192.67	-	-	192.67	**192.67**
Loans (excluding impairment loss allowance)	125,699.03	-	-	124,404.71	**124,404.71**
Investments at amortised cost (excluding impairment loss allowance)	4,461.06	3,155.70	-	1,082.12	**4,237.82**
Other investments	175.44	-	-	175.44	**175.44**
Other financial assets	51.45	-	-	42.70	**42.70**
Total financial assets	**146,940.16**	**9,119.41**	**9,828.13**	**125,902.99**	**144,850.53**
Financial liabilities:					
Trade payables	166.03	-	-	166.03	**166.03**
Other payables	2.67	-	-	2.67	**2.67**
Debt securities	41,256.55	-	40,467.60	-	**40,467.60**
Borrowings (other than debt securities)	46,676.93	-	47,147.82	-	**47,147.82**
Deposits	21,948.98	-	-	23,963.34	**23,963.34**
Subordinated liabilities	4,614.25	-	4,962.46	-	**4,962.46**
Lease liabilities	349.43	-	-	349.43	**349.43**
Other financial liabilities	859.64	-	-	859.64	**859.64**
Total financial liabilities	**115,874.48**	**-**	**92,577.88**	**25,341.11**	**117,918.99**
Off-balance sheet items					
Other commitments	92.43	-	-	92.43	**92.43**
Total off-balance sheet items	**92.43**	**-**	**-**	**92.43**	**92.43**

(Rs. in crores)

As at March 31, 2021	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	11,050.93	7,599.40	3,449.44	-	**11,048.84**
Bank balance other than cash and cash equivalents	5,390.89	161.65	5,126.81	-	**5,288.46**
Trade receivables	8.92	-	-	8.92	**8.92**
Other receivables	49.90	-	-	49.90	**49.90**
Loans (excluding impairment loss allowance)	116,191.59	-	-	114,238.50	**114,238.50**
Investments at amortised cost (excluding impairment loss allowance)	3,214.21	2,159.91	-	903.27	**3,063.18**
Other investments	162.29	-	-	162.29	**162.29**
Other financial assets	49.03	-	-	39.68	**39.68**
Total financial assets	**136,117.76**	**9,920.96**	**8,576.25**	**115,402.56**	**133,899.77**
Financial liabilities:					
Trade payables	152.52	-	-	152.52	**152.52**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2021	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Other payables	0.91	-	-	0.91	**0.91**
Debt securities	40,061.87	-	47,326.64	-	**47,326.64**
Borrowings (other than debt securities)	45,281.37	-	51,089.94	-	**51,089.94**
Deposits	16,232.41	-	-	16,559.97	**16,559.97**
Subordinated liabilities	4,620.76	-	6,265.88	-	**6,265.88**
Lease liabilities	349.49	-	-	349.49	**349.49**
Other financial liabilities	1,149.82	-	-	1,149.82	**1,149.82**
Total financial liabilities	**107,849.15**	**-**	**104,682.46**	**18,212.71**	**122,895.17**
Off-balance sheet items					
Other commitments	148.66	-	-	148.66	**148.66**
Total off-balance sheet items	**148.66**	**-**	**-**	**148.66**	**148.66**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables, bank overdrafts and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

52.09: Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Instruments with no comparable instruments or valuation inputs are classified as Level 3.

Investment in associate at cost

Investment in associate: As per Ind AS 28 Interest in associate are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. Loan and other similar arrangements with subsidiaries which are probable to be settled for a fixed number of equity share of the borrower for a fixed price are classified as equity investment. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Investment in government securities at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

52 FAIR VALUE MEASUREMENT (Contd.)

Issued debt and borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate from market-observable data such as secondary prices for its traded debt.

Deposits

The fair value of public deposits and deposit from corporates is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for deposits of similar tenure and scheme (cumulative/non-cumulative). Inter-corporate deposits are estimated at their carrying amounts due to the short-term maturities of these deposits.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on the carrying amounts due to the short-term maturities of these positions.

53 RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

53.01: Introduction and risk profile

53.01.01: Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk owners within each department will report to the Risk Committee.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

53.01.02: Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

53.01.03: Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department.

53 RISK MANAGEMENT (Contd.)

The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

53.01.04: Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

53.02: Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due(dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

53.02.01: Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

53.02.02: Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 53.02.02.01).

-How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 53.02.02.02 to 53.02.02.04)

-When the Company considers there has been a significant increase in credit risk of an exposure (Note 53.02.02.05)

-The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 53.02.02.07)

-The details of the ECL calculations and categorisation of loans for stage 1, stage 2 and stage 3 assets (Note 6.1(xi))

53 RISK MANAGEMENT (Contd.)

53.02.02.01: Definition of default

The Company considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.

53.02.02.02: PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

53.02.02.03: Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For stage 2 and stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

53.02.02.04: Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

53.02.02.05: Significant increase in credit risk(SICR)

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers' ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 53.02.02.01 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 53.02.02.07), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

53 RISK MANAGEMENT (Contd.)

53.02.02.06: Forward looking information

The Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note 63 for impact of COVID-19 on estimate of PD, LGD and SICR.

53.02.02.07: Grouping financial assets measured on a collective basis

As explained in Note 6.1.(xi) dependent on the factors below, the Company calculates ECLs only on a collective basis.

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. New vehicle finance

2. Pre owned vehicle finance

3. Business Loans

53.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2022 was Rs. 61.13 crores (March 31, 2021: Rs. 52.22 crores).

Credit risk exposure analysis

(Rs. in crores)

Particulars	As at March 31, 2022			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Credit risk exposure	103,492.98	13,318.50	8,887.55	**125,699.03**

53.03: Liquidity risk and funding management

In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company in line with the Company's budget and decided risk management objectives. The ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the company. The ALCO will be responsible for ensuring the adherence to the target set by the Board of Directors. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its ratification.

53 RISK MANAGEMENT (Contd.)

53.03.01: Analysis of financial assets and liabilities by remaining maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2022:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	10,662.44	-	-	-	-	-	**10,662.44**
Bank balance other than above	2,784.30	1,031.15	1,317.79	559.48	-	-	**5,692.72**
Derivative assets	-	-	-	63.56	137.84	-	**201.40**
Financial assets at fair value through profit and loss	2,345.31	-	-	-	-	25.42	**2,370.73**
Loans *	15,723.90	14,546.00	26,984.78	71,816.77	17,558.94	1,792.34	**148,422.73**
Financial investments at amortised cost	326.03	113.89	158.46	641.28	565.38	2,656.02	**4,461.06**
Trade receivables	5.35	-	-	-	-	-	**5.35**
Other receivables	29.03	27.62	46.59	81.92	7.51	-	**192.67**
Other financial assets	-	-	-	-	-	51.45	**51.45**
Total undiscounted financial assets	**31,876.36**	**15,718.66**	**28,507.62**	**73,163.01**	**18,269.67**	**4,525.23**	**172,060.55**
Financial liabilities							
Deposits *	1,940.42	2,127.66	3,645.55	12,642.21	5,526.91	-	**25,882.75**
Debt securities *	2,556.00	808.00	10,135.48	21,192.82	5,692.14	8,960.67	**49,345.11**
Borrowings (other than debt securities) *	8,178.50	4,948.26	9,511.65	24,057.35	5,307.19	50.61	**52,053.56**
Subordinated liabilities *	137.00	152.00	466.40	3,323.50	521.20	1,606.00	**6,206.10**
Trade payables	165.72	-	-	0.31	-	-	**166.03**
Other payables	2.67	-	-	-	-	-	**2.67**
Lease liabilities	26.48	25.72	48.42	155.57	89.58	99.69	**445.46**
Other financial liabilities	643.75	53.30	58.01	99.19	5.39	-	**859.64**
Total undiscounted financial liabilities	**13,650.54**	**8,114.94**	**23,865.51**	**61,470.95**	**17,142.41**	**10,716.97**	**134,961.32**
Net undiscounted financial assets/ (liabilities)	**18,225.82**	**7,603.72**	**4,642.11**	**11,692.06**	**1,127.26**	**(6,191.74)**	**37,099.23**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2021:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	11,050.93	-	-	-	-	-	**11,050.93**
Bank balance other than above	2,250.28	1,543.15	1,093.35	450.85	53.26	-	**5,390.89**
Derivative assets	-	-	100.51	38.26	-	30.48	**169.25**
Financial assets at fair value through profit and loss	-	-	-	-	-	8.28	**8.28**
Loans *	13,358.17	15,198.43	24,695.47	66,062.15	18,404.12	3,131.92	**140,850.26**
Financial investments at amortised cost	153.19	134.26	235.76	832.05	169.15	1,689.80	**3,214.21**
Trade receivables	8.92	-	-	-	-	-	**8.92**
Other receivables	49.90	-	-	-	-	-	**49.90**
Other financial assets	2.07	-	-	-	-	46.96	**49.03**
Total undiscounted financial assets	**26,873.46**	**16,875.84**	**26,125.09**	**67,383.31**	**18,626.53**	**4,907.44**	**160,791.67**
Financial liabilities							
Deposits *	920.83	1,541.32	3,817.22	9,090.96	3,814.50	-	**19,184.83**
Debt securities *	3,433.09	4,954.30	5,893.54	24,240.95	3,320.04	5,428.64	**47,270.56**
Borrowings (other than debt securities) *	6,348.78	5,469.99	11,980.12	23,455.05	4,790.82	365.83	**52,410.59**
Subordinated liabilities *	86.83	86.23	341.79	1,493.08	2,828.52	1,880.28	**6,716.73**
Trade payables	152.22	-	0.30	-	-	-	**152.52**
Other payables	0.54	-	-	-	-	-	**0.54**
Lease liabilities	25.98	25.26	49.72	161.50	92.89	91.87	**447.23**
Other financial liabilities	925.01	8.02	81.94	99.85	30.91	4.09	**1,149.82**
Total undiscounted financial liabilities	**11,803.95**	**12,078.19**	**22,152.11**	**58,505.60**	**14,859.35**	**7,753.77**	**127,332.82**
Net undiscounted financial assets/ (liabilities)	**15,069.51**	**4,797.65**	**3,972.98**	**8,877.71**	**3,767.18**	**(2,846.33)**	**33,458.85**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

The table below shows the expiry by maturity of the contingent liabilities and commitments of the Company and its associate: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2022							
In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	175.46	**175.46**
VAT demand where the Company and its associate have filed appeal before various appellates	-	-	-	-	-	117.54	**117.54**
Service tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	1,976.63	**1,976.63**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	11.72	-	-	-	-	-	**11.72**
Commitments related to loans sanctioned but undrawn	92.43	-	-	-	-	-	**92.43**
Total commitments	**104.15**	**-**	**-**	**-**	**-**	**2,274.63**	**2,378.78**
As at March 31, 2021							
In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	133.64	**133.64**
VAT demand where the Company and its associate have filed appeal before various appellates	-	-	-	-	-	117.54	**117.54**
Service tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	1,976.63	**1,976.63**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	3.82	-	-	-	-	-	**3.82**
Commitments related to loans sanctioned but undrawn	148.66	-	-	-	-	-	**148.66**
Total commitments	**152.48**	**-**	**-**	**-**	**-**	**2,232.81**	**2,385.29**

53 RISK MANAGEMENT (Contd.)

53.04: Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks such as Bank Marginal Cost of Funds based Lending Rate (MCLR) or London Inter-bank Offered Rate (LIBOR) and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The Company hedges interest rate risks of foreign currency borrowings through derivative transactions. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2022 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	2,446.80	237.64	(294.97)
Term loans	11,198.93	1,356.11	(1,801.15)
Total floating rate borrowings	**13,645.73**	**1,593.75**	**(2,096.12)**

As at March 31, 2021 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	5,776.24	572.78	(644.49)
Term loans	9,723.08	707.21	(665.36)
Total floating rate borrowings	**15,499.32**	**1,279.99**	**(1,309.85)**

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Inter-bank Offered Rate (IBOR) reform

The table below shows the Company's exposure at the year end to significant IBORs subject to reform that have yet to transition to alternative Risk Free Rates (RFRs). These exposures will remain outstanding until the IBOR ceases and will therefore transition in future and the table excludes exposures to IBOR that will expire before transition is required. The derivative hedging instruments provide a close approximation to the extent of the risk exposure the Company manages through hedging relationships.

(Rs. in crores)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Rate of interest	Notional Amounts	Maturity date	Rate of interest	Notional Amounts	Maturity date
Currency derivatives:						
- Spots and forwards	3 months LIBOR + 1.95%	22.19	June 10, 2022 to August 10, 2023	3 months LIBOR + 1.95%	37.05	June 10, 2022 to August 10, 2023
- Cross currency interest rate swaps	3 months LIBOR + 1.95%	2,402.33	August 10, 2023	3 months LIBOR + 1.95%	2,402.33	August 10, 2023
- Cross currency interest rate swaps	6 months LIBOR + 2.50%	133.64	June 13, 2022 to December 11, 2026	6 months LIBOR + 2.50%	147.00	December 13, 2021 to December 11, 2026
TOTAL		**2,558.16**			**2,586.38**	

53 RISK MANAGEMENT (Contd.)

Foreign Currency risk

Foreign Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency fluctuation risk for its foreign currency borrowing. The Company's borrowings in foreign currency are governed by RBI Master Direction External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (as and when updated) which requires entities raising External Commercial Borrowings (ECB) for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure. The Company hedges its entire ECB and external commercial bond exposure as per Board approved hedging policy and resource mobilisation policy. The Company manages foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company holds derivative financial instruments such as Cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The Counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place. Refer Note 22 B - External commercial bond (ED) Secured and 23 C-External commercial borrowing, respectively for terms and conditions of external commercial bonds and external commercial borrowings.

Exposure to currency risk

The summary quantitative data about exposure to Currency risk (based on Notional amounts) as reported :

(Amount in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Contracts in EURO		Contracts in USD		Contracts in EURO		Contracts in USD	
	EURO	INR	USD	INR	EURO	INR	USD	INR
Total foreign currency exposure in respect of recognised assets and liabilities	8.65	685.38	536.60	36,134.01	10.58	837.69	479.50	35,593.99
Cross currency Interest rate swap / Forward exchange contracts	8.65	685.38	536.60	36,134.01	10.58	837.69	479.50	35,593.99
Net Exposure	-	-	-	-	-	-	-	-

Movement in Cash flow hedge reserve

(Rs. in crores)

Cash flow hedge reserve	As at March 31, 2022			As at March 31, 2021		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Balance at the beginning of the year	-	**(93.02)**	**(93.02)**	-	-	-
Add: Changes in the fair value during the year	-	(160.87)	(160.87)	-	(124.31)	(124.31)
Less: Income tax relating to items that will be reclassified to profit or loss	-	40.49	40.49	-	31.29	31.29
Less: Amounts reclassified to Statement of profit and loss	-	-	-	-	-	-
Balance at the end of the year	-	**(213.40)**	**(213.40)**	-	**(93.02)**	**(93.02)**

Nature and terms and conditions of outstanding derivative contracts

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets
(i) Currency derivatives:								
- Spots and forwards	3 months LIBOR + 1.95%	June 10, 2022 to August 10, 2023	22.19	(0.56)	3 months LIBOR + 1.95%	June 10, 2021 to August 10, 2023	37.05	(0.30)
- Spots and forwards	4.15% to 5.95%	June 15, 2022 to June 15, 2027	17,018.41	98.39	4.15% to 5.95%	June 15, 2021 to June 15, 2027	13,789.85	79.67
- Currency swaps	4.15% to 5.10%	July 14, 2023 to July 18, 2025	2,320.47	(276.95)	4.40% to 5.10%	July 14, 2023 to March 13, 2024	2,320.38	(103.23)
- Cross currency interest rate swaps	3 months LIBOR + 1.95%	August 10, 2023	2,402.33	197.16	3 months LIBOR + 1.95%	August 10, 2023	2,402.33	32.81

53 RISK MANAGEMENT (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets
- Cross currency interest rate swaps	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	685.38	155.82	6 months EURIBOR + 1.15%	April 25, 2026	837.69	49.24
- Cross currency interest rate swaps	6 months LIBOR + 2.50%	June 13, 2022 to December 11, 2026	133.64	5.50	6 months LIBOR + 2.50%	December 13, 2021 to December 11, 2026	147.00	(1.76)
- Cross currency interest rate swaps	-	-	-	-	5.70%	February 28, 2022	2,849.90	101.25
- Cross currency interest rate swaps	SOFR + 2.10%	December 03, 2024	187.35	5.66	-	-	-	-
(ii) Interest rate derivatives:								
- Interest rate swaps	4.15% to 5.95%	October 24, 2022 to July 18, 2025	14,049.63	3.18	4.40% to 5.95%	October 24, 2022 to March 13, 2024	14,047.48	9.72
- Interest rate caps	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	-	13.20	6 months EURIBOR + 1.15%	April 26, 2021 to April 25, 2026	-	1.85
TOTAL			**36,819.40**	**201.40**			**36,431.68**	**169.25**

Price-risk

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In such cases, ineffectiveness may arise if:

(a) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

(b) differences arise between the credit risk inherent within the hedged item and the hedging instrument.

There were no ineffectiveness recognised in the statement of profit and loss.

There were no other sources of ineffectiveness in these hedge relationships.

54 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount remaining unpaid to supplier as at the end of the year	1.48	0.37
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-

54 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR) (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

55 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER LEGAL AND PROFESSIONAL FEES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of senior secured notes of Rs. 0.54 crores (March 31, 2021: Rs. 0.34 crores) shown under Legal and professional fees in note 42 Other expenses.

56 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER SHARE ISSUE EXPENSES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of Qualified institutional placement and preferential issue of equity shares of Rs. 0.33 crores (March 31, 2021: Rs. Nil) netted off against Securities premium under Other equity in note 31 Other equity.

57 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER RIGHT ISSUE EXPENSES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of Right Shares of Rs. Nil crores (March 31, 2021: Rs. 0.27 crores) netted off against Securities premium under Other equity in note 31 Other equity.

58 SEGMENT REPORTING

The Company operates in a single reporting segment i.e. financing. Its associate is primarily engaged in the business of facilitation service. Since, it does not meet the quantitative thresholds laid down under the Ind AS 108 – Operating Segments for reportable segments, it has not been considered for segment reporting.

59 TRANSFER OF FINANCIAL ASSETS

Note 59.01: Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Securitisation		
Carrying amount of transferred assets measured at amortised cost (held as collateral)	21,120.76	25,890.69
Carrying amount of associated liabilities (Borrowings (other than debt securities)- measured at amortised cost)	19,538.08	23,403.60
Fair value of assets	21,105.47	25,756.51
Fair value of associated liabilities	19,765.43	23,960.23
Net position at fair value	**1,340.04**	**1,796.28**

59 TRANSFER OF FINANCIAL ASSETS (Contd.)

Note 59.02: Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	1,599.67	1,300.31
Carrying amount of exposures retained by the Company at amortised cost	159.97	130.03

Note 59.03: Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

60 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Resource mobilisation	36.63	23.03
Total	**36.63**	**23.03**

Remittances in foreign currencies

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Right issue expenses	-	0.26
Total	**-**	**0.26**

61 DETAILS OF CSR EXPENSES

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by the Company during the year	69.12	62.91
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	69.72	64.96
Yet to be paid in cash	-	-
Total	**69.72**	**64.96**

There is no shortfall in the CSR amount required to be spent by the Company as per section 135(5) of the Act for the financial years ended March 31, 2022 and March 31, 2021.

CSR activities include Education, Preservation of Art, Culture and Heritage, Preventive Healthcare, Scholarship Scheme, Training and Skill Development, Road Safety Awareness Program, Contribution towards Primary, Secondary and Higher Education and other activities which are specified under Schedule VII of Companies Act, 2013.

The Company has neither made any CSR Contributions towards its related parties nor recorded any provision for CSR expenditure during the financial years ended March 31, 2022 and March 31, 2021.

62 MOVEMENT IN PROVISIONS

(Rs. in crores)

Particulars	As at March 31, 2021	Additional provision made during the year	Utilisation/reversal during the year	As at March 31, 2022
Provision for taxes- contested	92.75	-	1.82	90.93

(Rs. in crores)

Particulars	As at April 01, 2020	Additional provision made during the year	Utilisation/reversal during the year	As at March 31, 2021
Provision for taxes- contested	92.75	-	-	92.75

The above provisions relate to disputed tax demands in relation to VAT and Service tax. Due to the very nature of such provisions and the litigations involved, it is not possible to estimate the timing/ uncertainties relating to their outflows.

63 NOTE ON COVID

The significant increase in economic activities post easing of lockdown by the state governments due to COVID-19 had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2022, the Company has written off Rs. 799.92 crores by utilising the ECL provision created as management overlay on account of COVID-19. The ECL provision of Rs. 2,052.58 crores is retained by the company as at March 31, 2022 towards management overlay on account of COVID-19.

The additional ECL provision retained on account of COVID-19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

64 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date.

65 FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 3,354.44 crores (March 31, 2021: Rs. 2,003.76 crores) in favour of trustees representing the public deposit holders of the Company.

66

The Company invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020 and May 5, 2021. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.

66.01 Disclosure on Resolution Framework 2.0 implemented in terms of RBI notification no. RBI/2020-21/16 DOR. NO.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated May 05, 2021

(Rs. in crores)

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	(B) Of (A), aggregate debt that slipped into NPA during the half-year	(C) Of (A) amount written off during the half-year	(D) Of (A) amount paid by the borrowers during the half- year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans #	974.96	40.01	1.98	162.95	770.01
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**974.96**	**40.01**	**1.98**	**162.95**	**770.01**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
pertains to automobile loans

66.02 Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP.BC/4/21.04.048/2020-21 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" having exposure less than or equal to Rs. 25 crores:

(Rs. in crores)

No. of accounts restructured	Amount
2,131	64.32

67 Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr.) vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 in accordance with Note No.63 and provision had been made accordingly. The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection, the Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

68 The Company had credited an ex-gratia amount of Rs. 231.28 crores for the payment of difference between the compound interest and simple interest to the accounts of borrowers in specified loan accounts between March 1, 2020 and August 31, 2020 as per the eligibility criteria and other features as mentioned in the notification dated October 23, 2020 issued by Government of India, Ministry of Finance, Department of Financial Services. The Company had filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification and same was received on March 31, 2021.

69 In accordance with the instructions in aforementioned RBI circular dated April 07, 2021, and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021, the Company had put in place a Board approved policy to refund/ adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to the eligible borrowers under the abovementioned circular and advisory during the financial year ended March 31, 2021. The Company had estimated the benefit to be extended to the eligible borrowers at Rs. 36.54 crores and created a liability / credited the Borrower's account towards the estimated interest relief and reduced the same from the interest income of the financial year March 31, 2021.

70 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

71 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

72 COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

73 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Board of Directors of the Company in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The said Scheme is effective upon approval of shareholders, creditors, Hon'ble National Company Law Tribunal, Reserve Bank of India and other regulatory and statutory approvals as applicable with an appointed date as of April 01, 2022. The Company has already initiated process for the approval of the Scheme by various statutory authorities. The Company has already received Observation letters dated March 15, 2022 and March 16, 2022 from BSE Limited (designated Stock Exchange) and National Stock Exchange of India Ltd. respectively. The financial statements are for the year ended March 31, 2022, which is prior to the appointed date i.e. April 01, 2022 and as such the approval/implementation of Scheme has no implications on these financial statements.

74 UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

75 UNDISCLOSED INCOME

There are no transactions not recorded in the books of accounts.

76 CHANGE IN POLICY FOR IMPAIRMENT OF FINANCIAL INSTRUMENTS

The Company had been fully providing for the underlying loans net of its estimated realisable value in respect of which collaterals had been repossessed and not sold for more than 12 months till June 30, 2021. During the quarter ended September 30, 2021, the Company had revised its policy to fully provide for the underlying loans net of its estimated realisable value in respect of which collaterals had been repossessed and not sold for more than 6 months. Had it continued to follow the earlier policy, impairment of financial instruments for the year ended March 31, 2022 would have been lower by Rs. 30.49 crores and profit before tax for the same period would have been higher by Rs. 30.49 crores.

77 CHANGE IN THE PROCESS OF NPA CLASSIFICATION

Pursuant to RBI circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications, the Company has revised its process of NPA classification to flagging of the borrower accounts as overdue as part of the day-end processes for the due date. Had the Company followed the earlier method, the profit before tax for the year ended on March 31, 2022 would have been higher by Rs. 407.65 crores.

78 TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE COMPANY

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021.

79 DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

80 DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

81 WILFUL DEFAULTER

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

82 RELATIONSHIP WITH STRUCK OFF COMPANIES

Transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2022 and March 31, 2021 are given below:

(Rs. in crores)

Name of the struck off company	Balance outstanding as at		Relationship with the Struck off company
	March 31, 2022*	March 31, 2021*	
Receivables (Loans outstanding)			
ARRR Constructions Chennai Private Limited	0.02	0.04	Borrower
Kanta Tours and Travels Private Limited	-	0.14	Borrower
Pulse Electrical Solutions India Private Limited	-	0.01	Borrower
Rentacomfort Tours N Travels Private Limited	-	0.23	Borrower
Swift Equipments Private Limited	0.95	1.00	Borrower
Skilltech Services Private Limited	0.02	0.08	Borrower
VMK Infrastructure Projects India Private Limited	-	0.12	Borrower
Payables (Borrowings outstanding)			
Intercon Overseas Pvt Ltd	-	0.15	Deposit holder
Shares held by struck off company**			
Nasik Capital And Financial Services Private Limited	0.00	0.00	Equity shareholder
Rasi Leasing Company Private Limited	0.00	0.00	Equity shareholder

*0.00 denotes amounts less than Rs. 1.00 lacs

**In the financial years ended March 31, 2022 and March 31, 2021, the Company did not have any transaction with above equity shareholders, being the companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. Our Company has not allotted any Equity share to the said companies. The shareholding data is as per the record of beneficiary position downloaded by the Registrar and Transfer Agent of the Company from the database maintained by the depositories and reported to us for the purpose of this disclosure.

83 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

As per our report of even date
For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary

Mumbai
April 28, 2022

Additional information as required by paragraph 2 of the general instructions for preparation of Consolidated Financial statements to schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Asset, i.e., total assets minus total liabilities		Shares in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (Rs. in crore)	As % of Consolidated profit or loss	Amount (Rs. in crore)	As % of consolidated other comprehensive income	Amount (Rs. in crore)	As % of total comprehensive income	Amount (Rs. in crore)
1	2	3	4	5	6	7	8	9
Parent								
Shriram Transport Finance Company Limited	99.38%	25,932.19	99.52%	2,707.93	99.98%	(122.80)	99.49%	2,585.13
Subsidiaries								
Indian	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Foreign	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Minority interests in all subsidiaries	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Associates (Investment as per the equity method)								
Indian								
Shriram Automall India Limited	0.57%	148.92	0.48%	13.17	0.02%	(0.02)	0.51%	13.15
Foreign	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Inter-company eliminations and consolidation adjustments	0.05%	13.15	0.00%	-	0.00%	-	0.00%	-
Joint Ventures (as per proportionate consolidation / investment as per the equity method)								
Indian	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Foreign	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**100.00%**	**26,094.26**	**100.00%**	**2,721.10**	**100.00%**	**(122.82)**	**100.00%**	**2,598.28**

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary
Mumbai
April 28, 2022

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

SHRIRAM TRANSPORT FINANCE COMPANY LIMITED

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032,
Tamil Nadu, India Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666
Website: **www.stfc.in Email id: secretarial@stfc.in.**

NOTICE

NOTICE is hereby given that the Forty-Third Annual General Meeting of the Members of SHRIRAM TRANSPORT FINANCE COMPANY LIMITED ('the Company') will be held on Thursday, June 23, 2022 at 2.00 p.m. through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') facility to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon and in this regard, to pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** the audited financial statements including Balance Sheet of the Company as at March 31, 2022, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Directors' and Auditors' Reports thereon, placed before the meeting, be and are hereby considered and adopted."

2. **To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon and in this regard, to pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** the audited consolidated financial statements including Balance Sheet of the Company as at March 31, 2022, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Auditors' Reports thereon, placed before the meeting, be and are hereby considered and adopted."

3. **To confirm the payment of two interim dividends aggregating to Rs.20/- per Equity Share of Rs.10/- each, (i) first interim dividend of Rs.8/- per Equity Share of Rs.10/- each declared by the Board of Directors in its meeting held on October 29, 2021 and (ii) second interim dividend of Rs.12/- per Equity share of Rs.10/- each declared by the Board of Directors in its meeting held on March 5, 2022 already paid, as the final dividend for the Financial Year 2021-22 and in this regard, to pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** the First Interim Dividend of Rs.8/- per equity share of face value of Rs.10/- each on 268783613 equity shares of face value of Rs.10 each fully paid-up absorbing Rs.215,02,68,904/- for the financial year ended March 31, 2021, paid to the eligible Members on November 24, 2021, subject to deduction of tax at source, as applicable be and is hereby noted and confirmed.

   RESOLVED FURTHER THAT the Second Interim Dividend of Rs.12/- per equity share of face value of Rs.10/- each on 270519713 equity shares of face value of Rs.10/- each fully paid-up absorbing Rs.324,62,36,556/- for the financial year ended March 31, 2022, paid to the eligible Members on March 24, 2022, subject to deduction of tax at source, as applicable be and is hereby noted and confirmed.

   RESOLVED FURTHER THAT the aforementioned interim dividends aggregating to Rs.20/- per equity share of face value of Rs.10/- each paid to the eligible Members, subject to deduction of tax at source, as applicable be and is hereby confirmed as the final dividend for the Financial Year 2021-22."

4. **To appoint a director in place of Mr. Ignatius Michael Viljoen (DIN 08452443), who retires by rotation at this meeting, and being eligible offers himself for re-appointment as a Director of the Company and in this regard, to pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Ignatius Michael Viljoen (DIN 08452443), who retires by rotation at this meeting, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

5. **To appoint M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (ICAI Firm Registration No. 004207S) as Joint Statutory Auditors of the Company and to fix their remuneration and in this regard,**

to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 **("the Act")**, the Companies (Audit and Auditors) Rules, 2014 and Circular No.RBI/2021-22/25-Ref. No. DoS. CD.ARG/ SEC.01/ 08.91.001/2021-22 dated April 27, 2021 **("RBI Guidelines")** issued by Reserve Bank of India (RBI) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded, for appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (ICAI Firm Registration No. 004207S) **("M/s. Sundaram & Srinivasan")** as joint Statutory Auditors of the Company to hold office from conclusion of 43rd Annual General Meeting till the conclusion of 45th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the financial year ending March 31, 2023 and March 31, 2024 on such remuneration plus out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the said joint Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

6. **To appoint M/s. Khimji Kunverji & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 105146W/W100621) as Joint Statutory Auditors of the Company and to fix their remuneration and in this regard, to pass the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 **("the Act")**, the Companies (Audit and Auditors) Rules, 2014 and Circular No.RBI/2021-22/25-Ref. No. DoS. CD.ARG/ SEC.01/ 08.91.001/2021-22 dated April 27, 2021 **("RBI Guidelines")** issued by Reserve Bank of India (RBI) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded, for the appointment of M/s. Khimji Kunverji & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 105146W/ W100621) **("M/s. Khimji Kunverji & Co LLP")** as joint Statutory Auditors of the Company to hold office from conclusion of 43rd Annual General Meeting till the conclusion of 45th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the financial year ending March 31, 2023 and March 31, 2024 on such remuneration plus out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the said joint Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

SPECIAL BUSINESS

7. **Appointment of Mr. Y. S. Chakravarti (DIN 00052308) as a Director of the Company, liable to retire by rotation and in this regard, to pass the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), Mr. Y. S. Chakravarti (DIN 00052308), who was appointed as an Additional Director of the Company with effect from December 13, 2021 by the Board of Directors of the Company in accordance with the provisions of Section 161(1) of the Act and Article 21 of the Articles of Association of the Company and who holds the office only upto the date of the next Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of Director of the Company, the consent of the Members of the Company be and is hereby accorded for appointment of Mr. Y. S. Chakravarti (DIN 00052308), being eligible, as a Non-Independent Director of the Company, liable to retire by rotation."

8. **Appointment of Mr. Parag Sharma (DIN 02916744) as a Director of the Company liable to retire by rotation and in this regard, to pass the following Resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), the Companies

(Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), Mr. Parag Sharma (DIN 02916744) who was appointed as an Additional Director of the Company with effect from December 13, 2021 by the Board of Directors of the Company in accordance with the provisions of Section 161(1) of the Act and Article 21 of the Articles of Association of the Company and who holds the office only upto the date of the next Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of Director of the Company, the consent of the Members of the Company be and is hereby accorded for appointment of Mr. Parag Sharma (DIN 02916744), being eligible, as a Non-Independent Director of the Company, liable to retire by rotation."

9. **Appointment of Mr. Parag Sharma (DIN 02916744) as a Whole-time Director designated as "Joint Managing Director and Chief Financial Officer" and in this regard, to pass the following Resolution as an Ordinary Resolution:**

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and any other Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Parag Sharma (DIN 02916744) be and is hereby appointed as Whole Time Director designated as Joint Managing Director and Chief Financial Officer of the Company for a period of five years with effect from December 13, 2021 to December 12, 2026 (both days inclusive) and that he shall perform such duties and exercise such powers as may from time to time be lawfully entrusted to and conferred upon him by the Board of Directors and he be paid a remuneration by way of salary, allowances and be entitled to the perquisites, benefits and amenities as detailed below in accordance with Schedule V to the Act or any statutory modification(s) or re-enactment thereof:

A. **Basic Salary:**

Basic salary of Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand only) per month from the date of appointment of the Joint Managing Director and Chief Financial Officer up to March 31, 2022 which was increased to Rs. 3,00,000/- (Rupees Three Lakh only) per month with effect from April 1, 2022 up to March 31, 2023. The same will be further increased over the tenure of his appointment up to Rs. 5,00,000/- (Rupees Five Lakhs only) per month. The annual increase in the basic salary will be effective from first day of every financial year commencing from April 1, 2022. The quantum of the annual increment will be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee (NRC Committee) on the basis of annual performance evaluation of the Joint Managing Director and Chief Financial Officer.

B. **Allowances:**

(i) House Rent Allowance – 60% of Basic Salary or free accommodation (Company owned/leased/rented) in lieu of House Rent Allowance, per month

(ii) Leave Travel Allowance – for the Joint Managing Director & Chief Financial Officer and family, up to one month basic salary, every year.

(iii) Other Allowance of Rs.1,50,000/- (Rupees One lacs Fifty Thousand) per month.

C. **Perquisites:**

(i) Personal Accident / Group Insurance applicable to other employees in accordance with policy of the Company.

(ii) Club Fees-Subscription limited to a maximum of two clubs. No life membership or admission fees shall be paid by the Company. All official expense in connection with such membership incurred would be reimbursed by the Company.

(iii) Contribution to Provident Fund -12% of Basic Salary and Contribution to National Pension Scheme - 10% of Basic Salary. These will not be considered or included for the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(iv) Gratuity - Not exceeding half months' salary for each completed year of service.

(v) Encashment of leave as per policy of the Company.

(vi) The Company shall provide telephone, mobile, internet, data card and other communication facilities at the 'Joint Managing Director & Chief Financial Officer's residence. All the expenses incurred shall be paid or reimbursed as per the rules of the Company.

(vii) Leave as per the Company's policy.

(viii) Employees Stock Option - As may be decided by the Nomination and Remuneration Committee / Board of Directors from time to time according to the Employee Stock Option Scheme of the Company.

(ix) Expenditure on official entertainment would be on the Company's account.

(x) Other Terms – applicable to other employees in accordance with the Company's policy.

Those mentioned under (iii) and (iv) above will not be considered or included for the computation of ceiling on perquisites.

Other Applicable Terms:

(i) The Joint Managing Director and Chief Financial Officer shall not be paid any sitting fees for attending General Meetings and Meetings of the Board or Committee thereof.

(ii) The Board may revise, alter and vary the terms and conditions of his appointment, including his remuneration, subject to the applicable provisions of Schedule V to the Act.

(iii) Unless the Board decides otherwise, the Joint Managing Director and Chief Financial Officer will liable to retire by rotation at the Annual General Meeting.

RESOLVED FURTHER THAT if in any financial year, the Company has no profits or its profits are inadequate, Joint Managing Director and Chief Financial Officer shall be entitled to receive the basic salary, allowances, perquisites, benefits and amenities on the same terms as set out above, subject to compliance with the applicable provisions of Schedule V to the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. Payment of commission to the Independent Directors of the Company and in this regard, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** in supersession of the ordinary resolution passed by the Members at the 42nd Annual General Meeting of the Company and pursuant to Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded, for payment of commission to all Independent Directors of the Company for an aggregate amount not exceeding Rs.200 Lakhs for every financial year over the period of three financial years commencing from April 1, 2022 and ending on March 31, 2025 as may be decided by the Board of directors of the Company provided that the same shall not exceed 1% of the net profits of the Company in any financial year in terms of Section 197 of the Act and computed in the manner referred to in Section 198 of the Act."

By Order of the Board
For Shriram Transport Finance Company Limited

Vivek Achwal
Company Secretary
Membership No. : ACS 8061

Mumbai
April 28, 2022

CIN: L65191TN1979PLC007874
Regd. Office: Sri Towers, 14A, South Phase,
Industrial Estate, Guindy, Chennai 600 032, Tamil Nadu
Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666.
Website: www.stfc.in Email id: secretarial@stfc.in.

Notes:

1. In view of the continuing COVID-19 pandemic, Ministry of Corporate Affairs ("MCA") have permitted conducting the Annual General Meeting through video conferencing ("VC") or other audio-visual means ("OAVM") upto June 30, 2022. MCA has issued Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020, Circular No.20/2020 dated 5th May 2020, Circular No.02/2021 dated 13th January, 2021, Circular No.19/2021 dated 08th December, 2021 and Circular No.21/2021 dated 14th December, 2021 ("MCA Circulars"). In compliance with MCA Circulars, the 43rd Annual General Meeting ("43rd AGM" or "Meeting") of the Members of the Company will be held through VC/ OAVM, without the physical presence of the Members at a common venue. The venue of the Meeting shall be deemed to be the registered office of the Company.

2. A Member entitled to physical attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. Since this 43rd AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with in line with the MCA Circulars. Accordingly, the facility for appointment of proxies by the Members will not be available for this 43rd AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the 43rd AGM through VC / OAVM on its behalf and to vote through remote e-voting pursuant to Section 113 of the Companies Act, 2013 ("the Act"). The said resolution/authorization shall be sent to the Scrutinizer by email through its registered email address to stfc.scrutinizer@gmail.com and may also upload the same at https://evoting.kfintech.com.

4. The Explanatory Statement pursuant to Section 102(1) of the Act, in respect of the special business set out under item nos. 7 to 10 is annexed and forms a part of this Notice.

5. The brief detail of the directors, who are being appointed/ re-appointed, at this AGM is annexed hereto as per the requirements of Regulation 36(3) of the SEBI Listing Regulations, as amended and the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ('ICSI').

6. The Board of Directors had declared two interim dividends for the financial year 2021- 22 ,the first interim dividend of Rs.8/- per equity share of Rs.10/- each fully paid up at its meeting held on October 29, 2021. The payment was made on November 24, 2021 subject to deduction of tax at source.The Board of Directors at its meeting held on March 5,2022, had declared second interim dividend of Rs.12/- per Equity share of Rs.10/- each fully paid. The payment was made on March 24, 2022 subject to deduction of tax at source. The total dividend for the financial year 2021-22 is Rs.20/- per share (i.e.200%). The Board of Directors have not recommended final dividend. Thus, the interim dividend shall be the final dividend for the financial year 2021-22.

7. Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from Friday, June 17, 2022 to Thursday, June 23, 2022 (both days inclusive) for the purpose of 43rd AGM of the Company.

8. The facility of joining the 43rd AGM through VC/ OAVM will be opened 30 minutes before and will be open upto 15 minutes after the scheduled start time of the 43rd AGM, i.e. from 01.30 p.m. to 02.15 p.m.

9. Institutional investors, who are Members of the Company, are encouraged to attend and vote at the 43rd AGM of the Company

10. In terms of sections 101 and 136 of the Act read with the rules made thereunder, the listed companies may send the notice of 43rd AGM and the annual report, including financial statements, boards' report, etc. by electronic mode. In compliance with the aforesaid MCA Circulars, Notice of the 43rd AGM along with the Annual Report 2021-22 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for F.Y.2021-22 will also be available on the Company's website www.stfc.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Limited ('KFin') at https://evoting.kfintech.com.

11. Further, those members who have not updated their email addresses in the Demat account/Folio may get their email address and mobile number registered with Company's Registrar and Transfer Agent, Integrated

Registry Management Services Private Limited ("Integrated") for receiving the Notice of AGM and Annual Report alongwith the Login ID and Password by sending an email to the RTA at their email ID : csdstd@integratedindia.in.

12. Members attending the 43rd AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

13. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on Thursday, June 16, 2022 being Cut-off Date. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

14. (a) For non-individual members, who acquires shares of the Company and becomes a Member after despatch of the Notice, but holds shares as on the Cut-off Date for remote e-voting i.e. June 16, 2022, may obtain the login Id and password by sending a request at evoting@kfintech.com or csdstd@integratedindia.in.

    b) For Individual members, who acquires shares of the Company and becomes a Member after despatch of the Notice, but holds shares as on the Cut-off Date for remote e-voting i.e. June 16, 2022, holding shares in NSDL and CDSL should login through the sites of NSDL and CDSL can cast the votes during remote e-voting period.

    c) However, for VC/OAVM meeting the members should login at https://emeetings.kfintech.com to participate in the meeting and also to cast vote in case they have not voted during remote e-voting period.

    For details on login method of e-voting please refer the instructions below under the head **"Voting through electronic means"**

15. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the 43rd AGM.

16. Since the 43rd AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

17. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Chennai, Tamil Nadu - 600 032:

    i) Register of contracts or arrangements in which directors are interested under Section 189 of the Act.

    ii) Register of directors and key managerial personnel and their shareholding under Section 170 of the Act.

    In accordance with the MCA Circulars, the Statutory Registers will be made accessible for inspection through electronic mode and shall remain open and be accessible to any Member during the continuance of the 43rd AGM. Members seeking to inspect such documents can send an e-mail secretarial@stfc.in

18. The Board of Directors has appointed Mr. P. Sriram (Membership No. FCS 4862), Practising Company Secretary (PCS No. 3310) and failing him Ms. Nithya Pasupathy (Membership No. FCS 10601), Practising Company Secretary (PCS No. 22562) of SPNP & Associates, Chennai as the Scrutinizer to scrutinize the remote e-voting process and at the 43rd AGM in a fair and transparent manner and he/she has consented to act as scrutinizer.

19. SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, has provided the norms for furnishing PAN,KYC details and Nomination by holders of physical securities. Pursuant to aforesaid SEBI Circular, the Company has sent individual communications to all the Members holding shares of the Company in physical form. In case of physical shareholders who have not updated their KYC details may please submit Form ISR-1, Form ISR-2 and Form No. SH-13/Form ISR 3. The link for downloading the forms is is available on the Company's website https://tinyurl.com/2d8f4jje.

20. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website under the web link at https://tinyurl.com/yc2zfkxa.

    Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form

to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

21. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/ Automated Clearing House (ACH)/ Real Time Gross Settlement (RTGS)/ Direct Credit/ NEFT etc.

22. SEBI has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. With effect from January 01 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. In case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s) effective from April 01, 2023. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at https://tinyurl.com/2d8f4jje

23. Members may note that, in terms of the Listing Regulations equity shares of the Company can only be transferred in dematerialised form.

24. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register their e-mail address with their Depository Participant (s) in case the shares are held by them in electronic form and with Integrated in case the shares are held by them in physical form for receiving all communication including Annual Report, Notices, Financial Results etc. from the Company electronically.

25. As per the Income-tax Act, 1961 ('the Act'), as amended by the Finance Act, 2020, dividends declared or distributed or paid by a Company on or after April 1, 2020 shall be taxable in the hands of the Members and the Company shall be required to deduct tax at source ('TDS') at the prescribed rates from the dividend to be paid to members at the time of distribution or payment of dividend. The tax so deducted will be paid to the credit of the Central Government. The TDS rate would vary depending on the residential status of the Members and the documents submitted by them and accepted by the Company in accordance with the applicable provisions of the Act. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC, etc., to their Depository Participants in case the shares are held by them in electronic form and to Integrated in case the shares are held by them in physical form.

26. Loss of Shares: In case of loss/misplacement of share certificates, Members should immediately lodge a complaint/FIR with the police and inform the Company's Registrar and Transfer Agent, Integrated for the procedure of obtaining the duplicate share certificates.

27. Nomination Facility: As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with Company's Registrar and Transfer Agent, Integrated. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.

28. Non-Resident shareholders: Non-Resident shareholders are requested to immediately notify the following to the Company in respect of shares held in Physical form and to their Depository Participant in respect of shares held in Dematerialized form:

    - Indian address for sending all communications, if not provided so far;
    - Change in their residential status on return to India for permanent settlement;
    - Particulars of the Bank Account maintained with a bank in India, if not furnished earlier; and
    - RBI Permission number with date to facilitate prompt credit of dividend in their Bank Accounts

29. Members holding shares in physical form, are requested to convert their physical shareholding in to dematerialized shareholding. Please note that transfer of shares in physical form is not permissible as per SEBI guidelines. In this regard, the Members/legal heirs of deceased members are also requested to open demat account simultaneously for dematerializing the shares to their demat account(s) after transmission of shares

in their name by the Registrar and Transfer Agent of the Company.

30. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.

31. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

32. Transfer of unclaimed dividend transferred to Investor Education and Protection Fund

(i) Pursuant to the provisions of Section 125 of the Companies Act, 2013, the dividends which remain unclaimed for a period of 7 years will be transferred by the Company to the "Investor Education and Protection Fund" (IEPF) established by the Central Government as and when they fall due. Shareholders who have not encashed their dividend warrant/ payment instrument(s) so far are requested to make their claim to the Company's Corporate Office or to Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017 before transfer to IEPF on the respective dates mentioned below. The intimation in this regard is being sent to the concerned shareholders.

Year ending on March 31	Dividend to be transferred to IEPF		Year ending on March 31	Dividend to be transferred to IEPF	
	Final Dividend	Interim Dividend		Final Dividend	Interim Dividend
2015	05/09/2022	-	2018	31/08/2025	07/12/2024
2016	01/09/2023	04/12/2022	2019	02/08/2026	30/11/2025
2017	04/08/2024	30/11/2023	2020	-	29/11/2026
			2021	30/07/2028	1. 04/12/2027
					2. 30/04/2028
			2022	-	1. 04/12/2028
					2. 10/04/2029

(ii) **Transfer of Equity Shares to Investor Education and Protection Fund –** As per Government of India Gazette notification No. REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by Ministry of Corporate Affairs, the Company is required to transfer the shares to Investor Education and Protection Fund Authority (IEPF Authority), the shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF Authority as per Section 124 of the Act, and the applicable rules. Accordingly, during the financial year 2021-2022 the Company had transferred 60,221 Equity shares of Rs. 10/- each in respect of which the following dividend was not claimed/remained unpaid for seven consecutive years as per the below mentioned table.

Financial Year	Type of Dividend	No. of Shares Transferred to IEPF Authority	IEPF 4 Form Filing date
2013-2014	Final Dividend	26,268	17/09/2021
2014-2015	Interim Dividend	33,953	24/12/2021

The Members who have a claim on above dividends and equity shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form IEPF-5. During the financial year ended March 31, 2022, the Company had received requests from investors for claiming dividends, fixed deposits and equity shares from IEPF Authority. All the requests are duly attended. Information on the procedures to be followed for claiming the dividend/ shares/fixed deposits are available on the weblink: http://www.iepf.gov.in/IEPF/refund.html

No claims shall lie against the Company in respect of the dividend, shares, etc. so transferred.

Voting through electronic means

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations, and in terms of Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 issued by SEBI in relation to e-Voting Facility, the Members are provided the facility to cast their vote electronically, through the remote e-voting services.The e-voting facility on the date of AGM will be provided to the members by M/s KFin Technologies Limited ('KFin'), for voting on all the resolutions set out in this Notice.

The remote e-voting period commences on **Monday, June 20, 2022 (9.00 a.m. IST)** and ends on **Wednesday, June 22, 2022 (5:00 p.m. IST)**. During this period, members holding shares either in physical form or in dematerialized form, as on **Thursday, June 16, 2022 i.e. Cut-off Date**, may cast their vote electronically. Person who is not a Member as on the Cut-off Date should treat this Notice for information purpose only. The e-voting module shall be disabled by Kfin for voting thereafter. Those members, who will be present in the 43rd AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the 43rd AGM.

The details of the process and manner for remote e-Voting for individuals, non- individuals and members holding in physical form are explained herein below:

LOGIN METHOD FOR E-VOTING :

I) Applicable only for Individual members holding securities in Demat

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual members holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual members holding securities in demat mode is given below:

NSDL	CDSL
1. User already registered for IDeAS facility:	**1. Existing user who have opted for Easi / Easiest**
I. URL: https://eservices.nsdl.com	I. URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com
II. Click on the "Beneficial Owner" icon under 'IDeAS' section.	II. Click on New System Myeasi
III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"	III. Login with user id and password.
IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.	IV. Option will be made available to reach e-Voting page without any further authentication.
2. User not registered for IDeAS e-Services	V. Click on e-Voting service provider name to cast your vote.
I. To register click on link : https://eservices.nsdl.com	**2. User not registered for Easi/Easiest**
II. Select "Register Online for IDeAS"	I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
III. Proceed with completing the required fields.	II. Proceed with completing the required fields.
3. User not registered for IDeAS e-Services	**3. By visiting the e-Voting website of CDSL**
I. To register click on link : https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp	I. URL: www.cdslindia.com
ii. Proceed with completing the required fields.	II. Provide demat Account Number and PAN No.
4. By visiting the e-Voting website of NSDL	III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.
I. URL: https://www.evoting.nsdl.com/	IV. After successful authentication, user will be provided links for the respective ESP where the e- Voting is in progress.
II. Click on the icon "Login" which is available under 'Shareholder/Member' section.	

NSDL	CDSL
III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.	
IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.	
V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	

Individual Members (holding securities in demat mode) login through their depository participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

IMPORTANT NOTE:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Members facing any technical issue - NSDL	Members facing any technical issue – CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

II) Applicable for non-Individual members and members holding shares in physical form

Login method for non-individual members and members holding shares in physical form are given below :

I. Procedure and Instructions for remote e-voting are as under:

(i) Initial password is provided in the body of the email.

(ii) Launch internet browser and type the URL: https://evoting.kfintech.com in the address bar.

(iii) Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, use your existing User ID and password for casting your votes.

(iv) After entering the details appropriately, click on LOGIN.

(v) You will reach the password change menu wherein you will be required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) You need to login again with the new credentials.

(vii) On successful login, the system will prompt you to select the EVENT i.e. Shriram Transport Finance Company Limited

(viii) On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/ dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

(ix) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

(x) Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

(xi) Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (pdf/jpg format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at stfc.scrutinizer@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'STFCL_EVENT No.'.

(xii) In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of https://evoting.kfintech.com or call KFin on 18003094001(toll free).You may also contact Mr. Vivek Achwal, Company Secretary to address the grievances connected with remote e-voting at Corporate Office, Tel. No. +91-022-40959508, Email-id- secretarial@stfc.in.

III) Process for those members whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to evoting@kfintech.com/ csdstd@integratedindia.in

2. For Demat (Non Individual) shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to evoting@kfintech.com/csdstd@integratedindia.in

IV) Instructions for attending /joining the 43rd AGM through VC/OAVM are as under:

1. Members will be able to attend the 43rd AGM through VC/OAVM facility provided by KFin at https://emeetings.kfintech.com by clicking on the tab 'Video Conference' and using their remote e-voting login credentials. The link for AGM will be available in members login where the EVENT and the name of the Company can be selected.

2. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above.

3. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.

4. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.

5. While all efforts will be made to make the VC/ OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may, at times, experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

6. **AGM Questions prior to 43rd AGM:** Members who would like to express their views/ask questions during the 43rd AGM may log into https://emeetings.kfintech.com/ and click on "Post your Questions". Thereafter, the Members may post their queries/views in the window provided by mentioning the name, demat account number/ folio number, email id, mobile number. "Post your Questions" shall commence on Sunday, June 19, 2022 (9:00 a.m. IST) and close on Tuesday, June 21, 2022 (5:00 p.m. IST). Please note that only questions of the members holding the shares as on cut-off date will be considered. Members intending to speak at the AGM would require microphone and speakers / headphone.

7. **Speaker Registration during 43rd AGM session:** Members who would to express their views/ ask questions during the 43rd AGM may log into https://emeetings.kfintech.com and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on Sunday, June 19, 2022 (9:00 a.m. IST) and close on Tuesday, June 21,2022 (5:00 p.m. IST). Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the 43rd AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the 43rd AGM.

8. A video guide assisting the members attending 43rd AGM either as a speaker or participant is available for quick reference at: https://emeetings.kfintech.com/video/howitworks.aspx

9. Members who need technical assistance before or during the 43rd AGM can contact KFin at evoting@kfintech.com or helpline – 1800 309 4001

V) Instructions for e-voting at the 43rd AGM are as under:-

1. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the Chairman during the 43rd AGM proceedings. Members shall click on the same to take them to the "instapoll" page.

2. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

3. Only those Members, who will be present in the 43rd AGM through VC/OAVM facility and have not cast their vote through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting at the 43rd AGM.

VI) Scrutinizer's Report and declaration of results:

i. The Scrutinizer shall, immediately after the conclusion of voting at the 43rd AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting and make a consolidated Scrutinizers' report of the total votes cast in favour or against, not later than 48(forty eight) hours of the conclusion of the 43rd AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

ii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.stfc.in and on the website of Kfin at https://evoting.kfintech.com immediately after the declaration of results by the Chairman and communicate to the National Stock Exchange of India Limited and BSE Limited. The resolutions shall be deemed to be passed at the 43rd AGM of the Company.

By Order of the Board
For Shriram Transport Finance Company Limited

Vivek Achwal
Company Secretary
Membership No. : ACS 8061

Mumbai
April 28, 2022

CIN: L65191TN1979PLC007874
Regd. Office: Sri Towers, Plot No.14A, South Phase,
Industrial Estate, Guindy, Chennai 600 032, Tamil Nadu
Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666.
Website: www.stfc.in Email id: secretarial@stfc.in.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

ITEM NOS. 5 & 6

Reserve Bank of India **("RBI")** issued guidelines on appointment of statutory auditor(s) by Non-Banking Financial Company **("NBFC")** vide Circular RBI/2021-22 /25 Ref. No. DoS. CD.ARG/SEC.01/ 08.91.001/2021-22 dated April 27, 2021 **("RBI Guidelines")**. Pursuant to RBI Guidelines, the Audit Firms completing tenure of three financial years in the NBFC were not eligible to continue to hold office as Statutory Auditors of the NBFC. Since the RBI Guidelines were being implemented for the first time for NBFCs from Financial Year 2021-22 and in order to ensure that there is no disruption, the RBI had given flexibility to NBFCs to appoint new Statutory Auditors in the second half of the financial year ending March 31, 2022.

In compliance with the aforesaid RBI Guidelines, the previous joint Statutory Auditors of the Company viz. M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 103523W/ W100048) and M/s Pijush Gupta & Co. Chartered Accountants, Gurugram (ICAI Firm Registration No. 309015E) vide their respective letters dated August 3, 2021 had communicated to the Company their inability to continue to hold office as joint Statutory Auditors of the Company as they had already completed the tenure of four financial years on the date of coming into effect the RBI Guidelines and had communicated their intention to resign as the joint Statutory Auditors of the Company on conclusion of Extra-Ordinary General Meeting ("EGM") held by the Company on September 15, 2022 in compliance with the RBI Guidelines.

The Audit Committee and Board of Directors in their respective meetings held on August 3, 2021 took note of the said letters dated August 3, 2021 received from the previous joint Statutory Auditors and had passed resolutions to recommend to the Members of the Company for the approval of the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (ICAI Firm Registration No. 004207S) **("M/s. Sundaram & Srinivasan")** and M/s. Khimji Kunverji & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 105146W/ W100621) **("M/s. Khimji Kunverji & Co LLP")**, as new joint Statutory Auditors of the Company for three consecutive financial years ending March 31, 2022, March 31, 2023 and March 31, 2024 in compliance with the RBI Guidelines:

First Term: from the conclusion of the Extra-Ordinary General Meeting (held on September 15, 2022) ("EGM") till the conclusion of this 43rd Annual General Meeting of the Company to conduct the audit of accounts of the Company for the financial year ending March 31, 2022.

Second Term: from conclusion of this 43rd Annual General Meeting till the conclusion of 44th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the financial year ending March 31, 2023.

Third Term: from conclusion of 44th Annual General Meeting of the Company till the conclusion of 45th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the financial year ending March 31, 2024.

Accordingly and pursuant to Section 139(8)(i) of the Act, the Members of the Company appointed M/s. Sundaram & Srinivasan and M/s. Khimji Kunverji & Co LLP, as Joint Statutory Auditors of the Company at the Extra-Ordinary General Meeting held on September 15, 2021 to hold office from the conclusion of the EGM till the conclusion of this 43rd Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2021-22.

Vide their respective letters dated April 18, 2022 and April 22, 2022, M/s. Sundaram & Srinivasan and M/s. Khimji Kunverji & Co LLP have confirmed that they continue to be eligible for appointment as joint Statutory Auditors for the Financial Years 2022-23 and 2023-24. The Audit Committee and the Board of Directors in their respective meetings held on April 28, 2022 have recommended to the Members that M/s. Sundaram & Srinivasan and M/s. Khimji Kunverji & Co LLP continue as joint Statutory Auditors of the Company for a further term of two years in compliance with RBI guidelines to hold office from conclusion of this 43rd Annual General Meeting till the conclusion of 44th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2022-23 **(Second Term)** and from conclusion of 44th Annual General Meeting of the Company till the conclusion of 45th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2023-24 **("Third Term")** on such remuneration plus out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the said joint Statutory Auditors.

Disclosure under Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Proposed statutory audit fee of joint statutory auditors for the Financial Year 2022-23	In view of the proposed Composite Scheme of Arrangement and Amalgamation involving amalgamation of Shriram Capital Limited and Shriram City Union Finance Limited with Shriram Transport Finance Company Limited ('the Scheme'), the volume, scale, complexity, scope of work , activities and functions of the joint statutory auditors for conducting audit of accounts of the Company may undergo substantial increase, upon approval of the Scheme by shareholders, creditors , National Company Law Tribunal and the statutory and other regulatory authorities and the Scheme becoming effective during the current financial year 2022-23. Hence, it is proposed that the audit fees of joint statutory auditors is fixed by the Board of Directors as may be mutually agreed upon between the Board of Directors of the Company and the said joint Statutory Auditors.
Term of appointment	From conclusion of 43rd Annual General Meeting till the conclusion of 44th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2022-23 **(Second Term)** and from conclusion of 44th Annual General Meeting of the Company till the conclusion of 45th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2023-24 **("Third Term")**.
Material change in fee payable to the joint Statutory Auditors for the financial year 2022-23	The audit fees will be determined by the Board of directors as may be mutually agreed upon between the Board of Directors and the said joint statutory auditors and the same will be commensurate with various parameters including the volume, scale, complexity, scope of work, activities and functions of the joint statutory auditors for conducting audit of accounts of the Company for the financial year 2022-23,
Basis of recommendation and auditor credentials	The recommendations made by the Audit Committee and the Board of Directors of the Company for appointment of the joint statutory auditors are in compliance with the RBI Guidelines and in fulfilment of the eligibility criteria prescribed under the Companies Act, 2013 and the applicable rules made under the Act with regard to the full time partners, statutory audit experience of NBFCs, capability, assessment of independence, etc. **Brief Profile of Statutory Auditors** **M/s. Sundaram & Srinivasan** M/s. Sundaram & Srinivasan is a Chartered Accountant (ICAI Firm Registration No. 004207S) established in 1943 and is one of the largest audit firms in South India having 13 partners and offices in Chennai, Madurai, Mumbai and Bangalore. The firm was established in 1943 with rich and deep experience for over 8 decades in sectors like Manufacturing, NBFC/HFC, Banks, Mutual Funds, Investment Services. Insurance, Healthcare, IT & ITES, Real Estate, Media, Public sector enterprises, Agriculture and charitable trusts rendering services for more than 350 clients. The audit firm has valid peer review certificate. **M/s. Khimji Kunverji & Co LLP** M/s. Khimji Kunverji and Co LLP is a Chartered Accountant Firm registered with Institute of Chartered Accountants of India with ICAI Firm Registration No.105146W/W100621. The firm was established in 1936 and is led by ten partners. The firm provides a range of services which include audit & assurance, taxation, advisory & accounting. The firm has significant experience in providing auditing, taxation & advisory services to banks and other financial services clients. The audit firm has valid peer review certificate.

The Board of Directors commends passing of the resolutions as set out item Nos. 5 & 6 of this Notice. None of the Directors or Key Managerial Personnel nor their relatives are concerned or interested financially or otherwise in the proposed resolutions.

ITEM NO. 7

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on December 13, 2021 appointed Mr. Y. S. Chakravarti (DIN 00052308) as an Additional director in the category of Non-Executive Non-Independent Director.

Mr. Y. S. Chakravarti is currently Managing Director and CEO of Shriram City Union Finance Limited (SCUF) and has gained vast experience in financial service sector including two-wheeler financing and expansion of branch network etc. Mr. Y. S. Chakravarti has been working in Shriram group for more than two decades in the senior management positions.

As an Additional Director, Mr. Y. S. Chakravarti will hold office up to the date of this Annual General Meeting. The Company has received from a Member the notice under Section 160 of the Act proposing the candidature of Mr. Y. S. Chakravarti for the office of director.

The Company has received from Mr. Y. S. Chakravarti (i)

consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR-8 in terms of the said rules, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act and (iii) Declaration that he is not related to any director of the Company and not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority. Mr. Y. S. Chakravarti meets the fit and proper criteria for appointment as director as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

The Board of Directors commends passing of this resolution as set out at item nos. 7 of this Notice.

Details of Mr. Y. S. Chakravarti is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Except Mr. Y. S. Chakravarti, none of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolution.

ITEM NO. 8 & 9

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on December 13, 2021 appointed Mr. Parag Sharma (DIN 02916744) as an Additional director and also as a Whole-time director designated as Joint Managing Director and Chief Financial Officer of the Company for a period of five years from December 13, 2021 to December 12, 2026, subject to approval of the Members of the Company, on terms and conditions including remuneration as mentioned in the resolution set out at item no. 9 of this Notice.

The Company has received from Mr. Parag Sharma (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the said rules, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act and (iii) Declaration that he is not related to any director of the Company and not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority. Mr. Parag Sharma fulfills the conditions for appointment as a Whole Time director as specified in the Act read with Schedule V to the Act. He meets the fit and proper criteria for appointment as a director as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Mr. Parag Sharma has been working in Shriram group for more than three decades in the senior management positions and is playing key roles in the growth and expansion of business of the Company. Mr. Parag Sharma is a dynamic and accomplished Chief Financial Officer of Shriram Transport Finance Company Limited. He introduced innovative techniques and methods of raising funds through domestic as well as international sources and is expert in handling matters related to Finance & Accounts, MIS, Resource Mobilisation, Treasury Management, Planning and Budgeting, Corporate Strategy and relationships with Rating agencies, Banks, Investors, Regulators, etc. He is a member in various committees constituted by the Board including Asset Liability Management Committee, Banking & Finance Committee, Environment Social Governance Committee, Investment Review Committee, etc.

The Board considers that the remuneration proposed to be paid to Mr. Parag Sharma as a Whole Time director is reasonable and commensurate with his qualification and experience.

As an Additional Director, Mr. Parag Sharma will hold office up to the date of this Annual General Meeting. The Company has received from a Member the notice under Section 160 of the Act proposing the candidature of Mr. Parag Sharma for the office of director.

The Ordinary Resolution and the Explanatory Statement may be considered as a written Memorandum setting out terms and conditions of appointment and remuneration of Mr. Parag Sharma in terms of Section 190 of the Act.

The Board of Directors commends passing of this resolutions as set out at item nos. 8 & 9 of this Notice.

Details of Mr. Parag Sharma are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Except Mr. Parag Sharma, none of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolutions.

ITEM NO. 10

Pursuant to the ordinary resolution passed at the 42nd Annual General Meeting of the Company held on June 24, 2021, commission out of profits of the Company paid to

independent directors is capped at Rs.75 lakhs in a financial year effective from financial year 2022-23 to financial year 2024-25 within the overall limit 1% of the net profits of the Company in any financial year in terms of Section 197 of the Companies Act, 2013 ('the Act').

The Company is being immensely benefited from the expertise, advice and inputs provided by the independent directors during the meetings. The independent directors also devote their valuable time for meetings with statutory auditors, credit rating agencies and other stake-owners as a part of their role, functions and duties of overseeing the independence of auditors, risk-management, internal financial control, maintaining highest standards of corporate governance and protection of interest of small shareholders. The Independent Directors deliberate with senior management personnel on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advices, suggestion and guidance to the management of the Company from time to time.

The Company is poised to become the country's largest retail financer with more than Rs.1,50,000 crore of asset under management upon successful implementation of on-going strategic business combinations proposed by the Board of Directors which will be effective on receipt of regulatory with consequent change in the composition of the board of directors involving increase the number of independent directors. Taking into account of the roles and manifold increase in responsibilities of independent directors, thrust on independent directors on account of merger and the dynamic regulatory environment, complexity and large scale of business operations, increasing expectations of stakeholders emanating from pursuit to achieve the highest standards of corporate governance, the Board of Directors of the Company at its meeting held on April 28, 2022 felt that the current ceiling of Rs.75 lakhs on the total commission of independent directors deserves further increase up to Rs. 200 lakhs such that it is commensurate with roles, responsibilities of independent directors and time devoted by them for attending to strategic matters, growth of business of the Company. The proposed increase in the ceiling for payment of commission shall be applicable for a period three financial years commencing from 1st April, 2022 to 31st March, 2025. It is clarified that the commission paid to independent directors is in addition to their sitting fees for attending the Board / Committee meetings. The details of the sitting fees paid to independent directors are given in the Corporate Governance report. The amount of commission proposed to be paid to the independent directors is in accordance with Remuneration policy of the Company.

The Board of Directors consider that the commission proposed to be paid to Independent Directors is reasonable and commensurate with the experience, expertise, skills and time devoted by Independent Directors for the business affairs of the Company and commends passing of the resolution as set out in item No.10 of the Notice.

Mr. S. Lakshminarayanan, Mr. S. Sridhar, Mrs. Kishori Udeshi and Mr. Pradeep Kumar Panja being Independent Directors may be considered as concerned or interested in this matter and passing of the Ordinary Resolution. No other director, Key Managerial Personnel of the Company nor their relative are concerned or interested, financially or otherwise in the proposed resolution.

For Shriram Transport Finance Company Limited

Vivek Achwal
Company Secretary
Membership No. : ACS 8061

Mumbai
April 28, 2022

CIN: L65191TN1979PLC007874
Regd. Office: Sri Towers,14A, South Phase,
Industrial Estate, Guindy, Chennai 600 032, Tamil Nadu
Tel No:+91 44 4852 4666 Fax:+91 44 4852 5666.
Website: www.stfc.in Email id: secretarial@stfc.in.

Information required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard 2 with respect to appointment/re-appointment of Directors:

Name of Director	Mr. Ignatius Michael Viljoen	Mr. Y. S. Chakravarti	Mr. Parag Sharma
Date of Birth and Age	January 14, 1973 and 49 years	June 10, 1963 and 58 years	July 12, 1969 and 52 years
DIN	08452443	00052308	02916744
Date of appointment / first appointment on the Board	May 14, 2019	December 13, 2021	December 13, 2021
Expertise in specific functional areas	Credit risk and credit portfolio management aspects across the various entities owned by the Sanlam Group outside of the Republic of South Africa.	Experience of more than two decades in operations in NBFC	Wide experience in the fields of Finance & Accounts, MIS, Resource Mobilisation, Treasury Management, Planning and Budgeting, Corporate Strategy, etc.
Qualifications	Master's degree in Economics with distinction from the University of the Free State, South Africa	B.Com	B.Com and Grad CWA
Directorship held in other companies	i. Sanlam Credit Fund Advisor (Pty) Limited; ii. Shriram City Union Finance Ltd.; iii. African Life Holdings Limited; iv. African Life Financial Services Zambia Limited; v. Aflife Properties Limited vi. Letshego Holdings Limited	i. Shriram City Union Finance Ltd. ii. Shriram Housing Finance Ltd.; iii. Shriram Chits (India) Pvt. Ltd.	NIL
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholders Relationship Committee)	NIL	Shriram City Union Finance Limited -Stakeholders Relationship Committee - Member	N.A.
Shareholdings in the Company including shareholding as a beneficial owner	NIL	NIL	46,628 Equity Shares
Disclosure of relationships between directors/ Key Managerial Personnel inter-se.	Not related to any Director/ Key Managerial Personnel		
Remuneration received from the Company in the F.Y. 2021-22	Nil being a Non-Executive Non-Independent Director	Nil being a Non-Executive Non-Independent Director	Total remuneration for financial year 2021-22 was Rs. 72,36,154/- out of which Rs. 24,34,983/- remuneration was paid for his appointment as Whole Time Director during the period December 13, 2021 to March 31, 2022.

Name of Director	Mr. Ignatius Michael Viljoen	Mr. Y. S. Chakravarti	Mr. Parag Sharma
Terms and conditions of re-appointment/ appointment alongwith details of remuneration sought to be paid	Director liable to retirement by rotation. No remuneration is paid to Non-Executive Non Independent Director	Being an Additional director Mr. Y. S. Chakravarti holds office of a director only up to the date of this AGM and is proposed to be appointed as a director, liable to retire by rotation. No remuneration is paid to Non-Executive Non Independent Director.	Being an Additional director Mr. Parag Sharma holds office of a director only up to the date of this AGM and is proposed to be appointed as a director, liable to retire by rotation and also as a Whole Time Director designated as Joint Managing Director for a period of five years up to December 12, 2026. Terms and conditions of appointment alongwith details of remuneration are mentioned in the resolution at Item no. 9 of this Notice.
The number of Meetings of the Board attended during the F.Y. 2021-22	Attended all Board Meeting during the Financial Year 2021-22 i.e. Attended 10 out of 10 Board Meetings held during F.Y. 2021-22	Attended all meetings from the date of appointment i.e. 2 out of 2 Meetings entitled to attend.	Attended all meetings from the date of appointment i.e. 3 out of 3 Meetings entitled to attend.
Brief Profile	Mr. Ignatius Michael Viljoen is a Head of Credit-Sanlam Pan Africa Portfolio Management, South Africa and is responsible for a range of credit risk and credit portfolio management aspects across the various entities owned by the Sanlam Group outside of the Republic of South Africa. He has been associated with Sanlam Group since September 2003. Sanlam is a 100 year old company with strong financials and management culture. Sanlam is a diversified financial services group, headquartered in South Africa, operating across number of selected global markets.	Kindly refer item no. 7 of the Explanatory Statement of this Notice	Kindly refer item nos. 8 & 9 of the Explanatory Statement of this Notice

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

Shriram Transport Finance Company Limited
www.stfc.in

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

Shriram City Union Finance Ltd.

Annual Report
2019-20

Agile & Adaptive

Across the pages

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Please find our online version at
https://www.shriramcity.in/investors/index

Or simply scan to download

KPIs of 2019-20:

₹ 29,085.20 crores
*AUMs

₹ 3,747.08 crores
**NII

20.07 %
Yield

7.63 %
Pre-Provision Profits

Investor information

Market Capitalisation as at March 31, 2020	₹ 4,940 crores
CIN	L65191TN1986PLC012840
BSE Code	532498
NSE Symbol	SHRIRAMCIT
Bloomberg Code	SCUF:IN
Dividend Declared and paid	₹ 6 per share
AGM Date	July 31, 2020

Disclaimer
This document contains statements about expected future events and financials of Shriram City Union Finance Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

The current crisis has tested the resilience of organisations the world over.

It has tested the agility and the adaptability of the business models and operating cultures, with significant importance on the technology quotient.

The theme for this year best defines the Company:

Agile & Adaptive

Shriram City's decades of experience, differentiated business model, strong network, comprehensive product suite, prompt customer service orientation and execution-oriented team mindset are the key enablers for the Company to adapt the evolving new normal.

While we delivered consistent performance, we continued with our digital transformation, making us more stronger and more agile, and allowing us to perform at our full potential despite challenging work environment.

₹ 5,887.29 crores
Total Income

₹ 1,355.00 crores
Profit Before Tax

12.77 %
Net Interest Margin

4.23 %
***Net NPA

27.69 %
Capital Adequacy Ratio

*Assets Under Management
**Net Interest Income
***Non-Performing Asset

Agile & Adaptive Organisation

Shriram City Union Finance (Shriram City), is a part of country's premier financial service chain Shriram Group. It offers wide gamut of products through a strong delivery network.

Shriram City, since the time it came into being, in the year 1986, has always been at the forefront in serving financial needs of the customers across rural and semi-urban areas. It continues to be most preferred NBFC led by its decades of experience and expertise that enables them to comprehend the financing needs of the customers.

The Company offers a comprehensive range of products, specialising in retail financing that are best aligned with requirement of the customers. It comprises Small and Medium Enterprise (MSME) loans, two-wheeler loans, gold loans and personal loans, among others. With its cutting-edge technology, wide distribution network and energetic workforce, the Company continues to stay ahead of competition.

What made us agile and adaptive?

- Market leadership in the under-served retail segment
- Strong parentage and established track record
- Diversification-led growth
- Sound balance sheet with adequate liquidity
- State-of-the-art technology
- Competent workforce
- Digitalisation
- Cashless collection and disbursement

₹ 22,711.64 crores
Total Loan Disbursed in 2019-20

947
Total Branches as on March 31, 2020

41 Lacs
Active Customer Base as on March 31, 2020

28,699
Employee Strength as on March 31, 2020

Vision

- Serving the underserved
- Creating value at the bottom of the pyramid

Mission

Striving to serve the largest number of common people through quality non-banking financial services.

Geographic break up of: South | West | North

Branch Network (%)

- 67
- 21
- 12

AUMs (₹ in crores)

- 17,563
- 9,602
- 2,417

2018-19

- 16,435
- 9,995
- 2,655

2019-20

Credit ratings — Long Term

CARE Ratings	India Ratings & Research	ICRA	CRISIL
CARE AA+/ Negative	IND AA/ RWN	ICRA AA/ Stable	CRISIL AA/ Negative

FD ratings — Short Term

CARE Ratings	India Ratings & Research	ICRA
CARE AA+ (FD)/Negative	IND tAA/ RWN	MAA+/ Stable

CARE Ratings	ICRA
A1+	A1+

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

Being Agile & Adaptive through well-diversified product offerings

The well diversified portfolio of AUMs has led us to deliver steady results.

₹ 29,085.20 crores
AUMs in 2019-20

MSME Financing

The Company is one of the leading small enterprise finance company in the small loans segment.

57 %
AUM

Year of Establishment:	2006
Target Audience:	Caters to underbanked and unbanked micro, small and medium enterprises, out of which 85% of the loans are collateralised
Footprints:	Strong foothold in Andhra, Telangana, Tamil Nadu and Maharashtra
Ticket Size:	₹ 10 to 15 lacs
Tenor:	36 to 60 months
Yield Band:	14-22%

Two-Wheeler Loans

The Company leads this segment with 20% market share.

21 %
AUM

Year of Establishment:	2002
Target Audience:	Provides loans majorly to self-employed customers in rural and semi-urban markets
Footprints:	Established market leadership in South with penetration into newer geographies across West, North and Central India
Ticket Size:	₹ 40,000 to 45,000
Tenor:	24 to 30 months
Yield Band:	21-26%
Loan-to-Value (LTV):	75%

Loan Against Gold

The Company offers product through existing regional network, infrastructure and systematised controls.

11 %
AUM

Year of Establishment:	2007
Target Audience:	Provides gold loans to individuals who do not have access to formal loan.
Footprints:	Recognized player in Tamil Nadu, Maharashtra, Telangana, Andhra Pradesh and Karnataka
Ticket Size:	₹ 40,000 to 50,000
Tenor:	Upto 12 months
Yield Band:	14-18%
Loan-to-Value (LTV):	75%

Personal Loans

The Company offers personal loans to salaried and self-employed individuals.

6 %
AUM

Year of Establishment:	2002
Target Audience:	Cross-sell products to the existing customers with good credit score for improved operating leverage and as well all the 2-wheeler customers.
Footprints:	Strong foothold in Andhra, Telangana, Tamil Nadu and Maharashtra
Ticket Size:	₹ 75,000
Tenor:	18 to 36 months
Yield Band:	22-28%

Auto Loans

The Company does relationship-based lending to existing and past customers.

5 %
AUM

Year of Establishment:	2006
Target Audience:	Offers finance for purchasing new and used passenger and commercial vehicles
Footprints:	Telangana, Andhra Pradesh, Maharashtra and Tamil Nadu
Ticket Size:	₹ 1.25 to 1.5 lacs
Tenor:	24 to 48 months
Yield Band:	18-24%
Loan-to-Value (LTV):	60-80%

Being Agile & Adaptive with robust processes and technologies

The Covid-19 has impacted drastically the way the organisation functions. Our agile and adaptive nature is further backed by strong processes and continuous technology transformation.

Our robust and secure processes aid in de-risking the portfolio amidst increasing formal credit penetration in the market. Our adaptive credit assessment models further augment business processes, leading to lower NPAs and better liquidity position.

Technology continues to play a bigger role in helping enterprises to adapt the new technologies differentiating themselves. During the year, we undertook the following steps on technology which kept us more agile amidst the pandemic:

IT infra enhancements

- Installed VDI solutions in the employees' devices, enabling work from remote locations any time
- Provided end point devices like laptops/thin clients (hard drive where customers data is stored)and Wi-Fi facilities to the employees for smooth work from home
- Protected all the devices with Endpoint Detection and Response (EDR) and Next Gen Anti-malware solutions to ensure data protection from malware attack
- Configured e-mail gateways with threat prevention solutions to quarantine costly breaches caused by advanced attacks
- Monitored branch network and firewall & ISPs across India through automated tool
- Tracked logs and monitored events occurred in server and firewall through SIEM tool
- Reduced physical servers by adopting server virtualisation solution (VMware)

Integration with BBPS (Bharat Bill Payment system)

An end-to-end simple, secure, configurable and robust utility bill payment system which allows customers/corporates to make bill payment anytime, from anywhere with instant confirmation of payment through seamless integration with multiple billers. We have partnered with leading banks to offer our customer seamless experience in making EMI payments. The customers can use their net banking credentials to directly transfer the money into our account, while using any leading payment wallet apps. We also tied up with leading banks to provide UPI facility.

Documents Upload through Mobile

Customer were provided the facility of digitally uploading their data/documents on our document management system. A link was sent to customers through SMS, for uploading the required documents, which were than stored in our system.

Being Agile & Adaptive through sustained team efforts

Our team is at the centre of all operations. Our human resources practices form one of the key focus points of our success strategy. Our commitment remains strong to extend a safe working environment for our people. In response to the uncertainties presented by Covid-19, we managed to run the 'business-as-usual' by shifting gears and adopting work from home practices.

Our emphasis on automation and digitalisation has further created opportunities for developing new skill sets. To that end, we helped our employees upgrade their skills through various training and development programmes. Some of the key initiatives during the year include:

- Enhanced existing HR systems and processes
- Adopted digital tools and enhanced employee skillsets through digital learning platforms for accelerated development
- Initiated programs to prepare the employees to manage the digital era and change in work styles

Today, we have built a corporate culture that aims high and an organisation that can thrive amidst challenges. We are well-positioned to leverage the market opportunities of the future with right skill sets, capabilities, backed by technology, and serve our customers.

Financial Highlights

Asset Under Management

(₹ in crores)

Disbursement

(₹ in crores)

Total Income

(₹ in crores)

Net Interest Income

(₹ in crores)

Average Cost of Borrowing

(%)

PAT

(₹ in crores)

Earnings per Share

(₹)

Capital Adequacy Ratio Tier- I

(%)

Corporate Information

Board of Directors

Sri Debendranath Sarangi
Chairperson, Non-Executive, Independent

Sri Y S Chakravarti
Managing Director and Chief Executive Officer*, Executive, Non-Independent

Sri C R Muralidharan
Director, Non-Executive, Independent

Sri Diwakar B Gandhi
Director, Non-Executive, Independent

Sri Duruvasan Ramachandra
Director, Non-Executive, Non Independent **

Sri Gerrit Lodewyk Van Heerde
Director, Non-Executive, Non-Independent (Retired and not re-appointed**)

Sri Ignatius Michael Viljoen
Additional Director,Non Executive ,Non Independent**

Ms Maya S Sinha
Director, Non-Executive, Independent

Sri Pranab Prakash Pattanayak
Director, Non-Executive, Independent

Sri Ranvir Dewan
Director, Non-Executive, Non-Independent
(resigned w.e.f. December 2, 2019)

Sri Shashank Singh
Director, Non-Executive, Non-Independent

Sri Venkataraman Murali
Director, Non-Executive, Independent

Chief Financial Officer

Sri Ramasubramanian Chandrasekar

Company Secretary

Sri C R Dash

*with effect from July 1,2019,
** with effect from July 29 ,2019

Banks

Axis Bank Ltd.
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
DCB Bank Ltd
ICICI Bank Ltd
Indian Bank
Indian Overseas Bank
Indusind Bank Ltd.
Kotak Mahindra Bank Ltd.
Punjab National Bank
RBL Bank Ltd
SBM Bank (Mauritius) Ltd
Standard Chartered Bank
State Bank of India
The Catholic Syrian Bank Ltd
The Federal Bank Ltd
The HDFC Bank Ltd.
The Hongkong & Shanghai Banking Corporation Ltd
The Lakshmi Vilas Bank Ltd
The South Indian Bank Ltd
Union Bank of India
Canara Bank (Erstwhile Syndicate Bank)
Indian Bank (Erstwhile Allahabad Bank)
Punjab National Bank (Erstwhile Oriental Bank of Commerce)
Union Bank of India (Erstwhile Andhra Bank)

Institutions

Bajaj Finance Ltd
National Bank for Agriculture and Rural Development
Small Industries Development Bank of India

Auditors

G D Apte & Co.
Chartered Accountants
GDA House, First Floor
Plot No 85, Bhusari Colony (Right)
Paud Road, Pune 411 038

Listed at

BSE Limited
National Stock Exchange of India Limited

Registered Office

123, Angappa Naicken Street,
Chennai 600 001
Phone No. + 91 44 2534 1431

Secretarial Office

No. 144, Santhome High Road,
Mylapore, Chennai 600 004
Phone No. + 91 44 43925300
Fax No. + 91 44 43925430

Share Transfer Agents

Integrated Registry Management Services Pvt Ltd
2nd Floor, Kences Towers
No. 1, Ramakrishna Street,
Off North Usman Road, T. Nagar
Chennai 600 017
Phone No. + 91 44 2814 0801 – 03

Debenture Trustees

IDBI Trusteeship Services Ltd
Asian Building, Ground Floor
17, R Kamani Marg, Ballard Estate
Mumbai 400 001

Catalyst Trusteeship Ltd
GDA House, First Floor
Plot No 85, Bhusari Colony (Right)
Paud Road, Pune 411 038

REPORT OF THE BOARD OF DIRECTORS

To,

The Members of Shriram City Union Finance Limited

Dear Members,

The Board of Directors ("Board") is pleased to present this Report with the audited standalone as well as consolidated financial statements of the Company for the financial year ended March 31, 2020 ("FY20"). The consolidated financial statements presented pursuant to section 129 (3) of the Companies Act 2013 ("Act") and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"). The report on corporate governance, management discussion and analysis and other annexures referred to form a part of this Report.

1. RESULTS OF OPERATION

The summary of standalone and consolidated financial performance of the Company for FY20 is as under. The details of financials are provided in the annual financial statements.

₹ in crores

Particulars	Standalone		Consolidated	
	Year Ended March 31		Year Ended March 31	
	2020	2019	2020	2019
Total Income	**5,887.29**	**5,781.30**	**6,239.30**	**6,047.60**
Finance Charges	2,140.21	1,986.19	2,303.02	2,112.15
Depreciation	82.16	31.20	89.58	33.53
Total expenses	**4,532.29**	**4,260.98**	**4,832.21**	**4,502.21**
Profit before tax ("PBT")	**1,355.00**	**1,520.32**	**1,406.48**	**1,545.39**
Total Tax expenses	**354.48**	**531.44**	**373.27**	**539.86**
Profit after Taxation ("PAT")	**1,000.52**	**988.88**	**1,033.21**	**1,005.53**
Paid up equity share capital (Face value of ₹ 10/- per share)	66.00	65.99	66.00	65.99
Earning per equity share (Face value of ₹ 10/- each)				
(i) Basic	151.60	149.88	154.95	151.83
(ii) Diluted	151.57	149.83	154.92	151.78
Appropriation(s)/Transfers:				
Profit available for appropriation	3,509.77	2,955.77	3,608.52	3,034.96
General reserve	(100.10)	(99.90)	(100.10)	(99.90)
Statutory reserve	(200.20)	(199.80)	(207.41)	(202.41)
Debenture redemption reserve	(29.31)	(3.66)	(29.31)	(3.66)

The Board at the meeting held on June 11, 2020 has proposed to transfer/carry amounts mentioned above to different reserves for FY20 in compliance with the requirements of regulations of Reserve Bank of India ("RBI") and the Act. No details for loans made, guarantee given or security provided in ordinary course of business as required under Section 186 of the Act are mentioned here as the Company being as NBFCs registered with the RBI is exempted from applicability of this. Loans, guarantees and investments forms a part of the Annual Financial Statements provided in this Annual Report. There were no material changes and commitments affecting financial position of the Company occurring between March 31, 2020 and the date of this report.

REPORT OF THE BOARD OF DIRECTORS (Contd.)

2. DIVIDEND

The Board formulated Dividend Distribution Policy as required under LODR. This policy is attached as Annexure - 13 and is displayed on the website of the Company (web link : refer Table 1). Dividends are recommended and paid in line with the Dividend Distribution Policy of the Company. The Board in the meeting held on June 11, 2020 has proposed for no final dividend for the year. The table below shows the details of dividend for FY19 and FY20

Dividend on equity shares of ₹ 10 each	No of Shares	Per share (₹)	Dividend Payout Ratio (%)	Dividend Pay out (₹ in crores)	Date of payment
Interim (FY20)	6,59,96,022	6.00	4.77	47.74	November 18, 2019
Total		**6.00**		**47.74**	
Interim (FY19)	6,59,84,382	6.00	17.69	47.73	November 20, 2018
Final (FY19)	6,59,95,122	16.00		127.30	August 19, 2019
Total		**22.00**		**175.03**	

FY– Financial year ending March 31

Dividend payout is inclusive of dividend distribution tax. No of shares indicate the numbers of shares existed on respective record date for payment of dividend. There were no delay in payment of dividend/interim dividend during FY20. Considering the external factors like impact of COVID-19 and to retain the earnings in the business, the Board has not recommended final dividend and the interim dividend declared and paid shall be the dividend for the year.

3. CONTRACT OR ARRANGEMENT WITH RELATED PARTY AND ANNUAL RETURN

All the transactions during FY20 with related parties referred to in Section 188 of the Act, were on arm's length basis in ordinary course of business with requisite approval of the Audit and Risk Management Committee. The Company has formulated an approved policy on related party transactions, which is displayed on the web site of the Company (refer Table-1) in compliance with regulations of RBI, the Act and LODR. The details of and transactions with the related parties as required under Regulation 34(3) and 53(f) of the LODR appear in note no. 46 of the notes to financial statements. During FY20, the Audit and Risk Management Committee, approved the related party transactions requiring it's approval. The details of Related Party Transactions were filed with both BSE Ltd ("BSE") and National Stock Exchange of India Ltd ("NSE") on half yearly basis on or before the respective due dates during FY20. There were no material related party transactions during FY20 with promoters, directors, key managerial personnel or other designated persons in potential conflict with the interest of the Company at large and this information were filed with both BSE and NSE on quarterly basis on or before respective due dates during FY20. The extract of the Annual Return in the form MGT - 9 as required under Section 92 (3) and 134 (3) of the Act is attached to this Report as Annexure – 6 and is also displayed on the web site of the Company (refer Table -1)

4. STATE OF AFFAIRS

The Company is a deposit taking Non-Banking Finance Company ("NBFC") registered with the RBI. The Company provides loans to customers and has multiple product offering i.e. Enterprise Finance/MSME Finance, Two wheeler loans, Loan against Gold, Auto Finance, Personal loans. The Company also accepts and renews deposits from public and the same continued during FY20. There was no change in business of the Company during FY20. The business involves sourcing borrowers, understanding their loan requirement, providing them appropriate finance, documentation, recovery. The business outlets of the Company are concentrated in semi-urban and rural areas. Our customer centric approach continues to bring us more number of customers resulting in higher business. 14.90 lacs number of customers were added during FY20. Total number of customers and total number of branches/ business outlets were 40.75 lacs and 947 respectively as on March 31, 2020.

Total disbursements of loans under different products were 22,711.64 crores during FY20 (FY19 : ₹ 24,071.40 crores). Income from operations for the year grew by 1.8% to ₹ 5,884 crores (FY19: ₹ 5,779 crores) resulting in a profit before tax of ₹ 1,355 crores for the year (FY19 : ₹ 1,520 crores). As at March 31, 2020 the total assets under management stood at ₹ 29,085.20 crores (March 31, 2019 : ₹ 29,581.81 crores).

REPORT OF THE BOARD OF DIRECTORS (Contd.)

During FY20, the total consolidated disbursements of loans under different products were ₹ 23,838.64 crores (FY19 : ₹ 24,830.22 crores). Consolidated Income from operations in FY20 grew by 3.1 % to ₹ 6,233 crores (FY19 : ₹ 6,045 crores) and the same resulted in a profit before tax of ₹ 1,406 crores in FY20 (FY19 : ₹ 1,545 crores). As at March 31, 2020 the consolidated assets under management stood at ₹ 31,390.90 crores (March 31, 2019 : ₹ 31,429.47 crores).

The Company borrows money in order to lend and to meet other requirements. Borrowing by the Company are made from banks/institutions, individuals and others through public issue/private placement of non convertible debentures ("NCDs"), acceptance/renewal of fixed deposits, issue of commercial papers, cash credit/working capital loans and other loans. The summary of borrowings by the Company is as under.

₹ in crores

At the year ended March 31,	Deposits	Privately placed NCDs	Public issue of NCDs	Term loans	Others	Total
2020	4,012.07	3,618.73	849.55	8,531.74	6,153.75	**23,165.84**
2019	3,119.41	3,573.13	113.77	9,863.64	5,931.54	**22,601.49**

Balance outstanding on cash credit as on March 31, 2020 was ₹ 480.38 crores (March 31, 2019: ₹ 1,581.87 crores), Working capital demand loans as on March 31, 2020 was ₹ 1,544.89 crores (March 31, 2019: ₹ 766.85 crores), Commercial Papers as on March 31, 2020 was ₹ 111.64 crores (March 31, 2019: ₹ 1,785.83 crores) Subordinate Debts as on March 31, 2020 was ₹ 239.24 crores (March 31, 2019: ₹ 653.71 crores) and Securitisation linked Term Loan as on March 31, 2020 was ₹ 3,777.60 crores (March 31, 2019: ₹ 1,143.28 crores).

The Company serviced all its repayments and interests for different borrowings due during FY20 on respective due dates. The deposits and debentures issued/ allotted in non-dematerialised form were redeemed on submission of the claim with documents. 8,138 number of deposits amounting to ₹ 109.84 crores were outstanding to be claimed or renewed on maturity as an March 31, 2020. Subsequent follow-up by the Company for repayments/renewals brought it to 4,830 number of deposits amounting to ₹ 59.08 crores on the date of this report. There were no deposits which had matured and claimed, but were not paid by the Company. The Company takes steps to arrange for repayment/renewal of these unclaimed deposits.

The Company is required to be rated by any of the rating agencies in India for its different kinds of borrowings. Such ratings were undertaken and the ratings obtained are mentioned in notes to financial statements.

There are no significant and material orders passed by the regulators or courts or tribunals impacting going concern status and Company's operation in future. The business of the Company was impacted due to COVID 19 lock down and the same may also impact the business of the Company for FY21.

During FY20, frauds amounting to ₹ 36.50 lacs were detected and reported to RBI. The details and status of frauds detected are reported in notes to financial statements. The Audit and Risk Management Committee ("ARMC") and the Board had discussed about the status of the frauds committed and existing. The Company has formulated whistle blower and vigil mechanism policy for, in addition to other matters, bringing frauds to light by the whistle blowers.

5. CAPITAL, LISTING AND IEPF

As on March 31, 2020 ,the paid up capital was ₹ 66.003 crores with an increase of ₹ 0.011 crores on the paid up capital on March 31, 2019 due to allotment of 10,605 number (FY19 : 26,555) of shares on exercise of options under Employees Stock Options Scheme 2006 by the eligible employees on exercise of their options under ESOP Scheme 2006. The ESOP Scheme titled SCUF ESOP Scheme 2013 as approved by the members in the Extraordinary General Meeting held on May 31, 2013 has not been implemented. The required disclosures on ESOP as on March 31, 2020 under SEBI Regulations are set out in Annexure - 7 to this report. The Company has

received the certificate as attached in Annexure - 8 from the auditors of the Company certifying that the ESOP Scheme is implemented in accordance with the SEBI Guidelines and in accordance with the resolution passed by the members. There was no buy back of its shares and no issue of equity by the Company during FY20.

In compliance with Section 124 (5) of the Act, the Company transfers the dividend that has remained unclaimed for a period of seven years from the date of its transfer to unpaid dividend account to Investor Education and Protection Fund ("IEPF"). An amount of ₹ 0.93 crores (2018-19: ₹ 0.92 crores) is lying in unpaid equity dividend account of the Company. The unpaid dividends till March 31, 2013 were transferred to IEPF. The Company as provided under Section 124(6) of the Act, transferred all shares in respect of which unclaimed dividends were transferred to IEPF during FY20. In compliance with section 125 (2) of the Act, matured deposits, matured debentures and interest accrued on these that had remained unclaimed/unpaid for a period of seven years from the date it became due for payment were transferred to IEPF during FY20 as mentioned below.

₹ in crores

Year	Dividend	Deposits	Debentures	Equity shares in nos.
FY 20	0.080	0.00	1.465	3,032
FY 19	0.090	0.00	0.664	52,794

The Company has displayed the details of unpaid dividend on its web site (refer table no-1). The Company also posted individual letters to the last known address of the share holder on August 7, 2019 and September 9, 2019 and advertised in news papers on August 8, 2019 and September 11, 2019 respectively. There will be no claim lie on the Company on account of dividend, debentures and deposits which were transferred to IEPF. However the investors can claim it from IEPF Authority by following the required process.

The unclaimed equity shares existing in physical form available with the Company/RTA, are dematerialised when required to be transferred to IEPF Authorities as required under Regulation 34 (3) read with para F Schedule V of the LODR. The status of the same is as under.

₹ in crores

S. No	Particulars	No of equity shares holders	No of unclaimed equity shares
1	Unclaimed equity shares as on April 1, 2019	9	500
2	Shares claimed by shareholders during the Year	-	-
3	Transfer of unclaimed equity shares to IEPF during the Year as per IEPF Rules	1	25
4	Unclaimed equity shares as on March 31, 2020	8	475

The voting rights for the above said unclaimed equity shares shall remain frozen till the concerned shareholders claim the shares. No equity shares were issued with differential rights to voting, dividend or otherwise.

The listing fees to BSE and NSE for the Year were paid on time. The shares of the Company continue to be listed on BSE Ltd and National Stock Exchange of India Limited.

6. HUMAN RESOURCE

Our people are our most valuable resource. We are committed to provide the right opportunities to employees to realise their potential. We are pleased to report that in an increasingly competitive market for talent, we continue to be successful in engaging and retaining the right manpower resources. We conduct periodic reskilling and skill-enhancing programs for our business teams, besides according rewards and recognition to keep them motivated. We lay emphasis on localisation of our workforce and encourage executive growth up the organisational ladder within respective geographies. The relations between the Company and its employees have always been based on mutual respect, openness, honesty, co-operation, trust and continued in this manner during FY20. The Company has formulated a policy on Prevention of Sexual Harassment

of women employees in the work place. The Company has also constituted an Internal Complaints Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints received during FY20. As on March 31, 2020, we had 28,699 employees. The Company added 10,788 employees during FY20. As required under Section 197(12) of the Act read with Rule - 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the information on remuneration is given in table 2.1 of the Corporate Governance Report and other details are attached as Annexure – 1 to this Report.

7. SUBSIDIARY AND CONSOLIDATED FINANCIAL STATEMENTS

M/s Shriram Housing Finance Ltd CIN - U65929TN2010PLC078004) ("SHFL") is the unlisted subsidiary of the Company with 77.25% holding by the Company in the equity of SHFL. SHFL is a housing finance company registered with National Housing Bank ("NHB") (Registration Number-08.0094.11) with registered office at Chennai.There was no entity which became or ceased to become subsidiary during FY20. The entities shown in the Notes to Accounts under Related party disclosures as Associates are treated as "associates" as per paragraph 9(b)(ii) of IndAS24. The equities of SHFL are not listed on any stock exchange, but has debt securities listed on BSE. SHFL follows April to March as the financial year. SHFL provides housing loans of larger mass consisting of self employed in the lower and middle income class in mostly Tier 2 and Tier 3 locations in India with 65 branches. SHFL has 11,051 customers with loans in its portfolio as on March 31, 2020. The total employee strength of SHFL as on March 31, 2020 was 798.

SHFL provides home loans, loans against property and finances housing projects. The CAGR of loan disbursement of SHFL over last five years was 17.51 % with total disbursement during the Year being ₹ 1,126.64 crores. The total borrowings of SHFL as on March 31, 2020 was ₹ 1,929.02 crores, out of which ₹ 384.97 crores was from allotment of NCDs and the balance amount was from borrowings from Bank, National Housing Bank (NHB) and securitisation through bank.

As prescribed under section 129(3) of the Act, the Consolidated financial statements of the Company for FY20 were prepared in accordance with provisions of the Act and LODR, which were audited by the statutory auditors of the Company. The consolidated financial statements along with the report of the auditors of the Company thereon are attached to this Report. Statement containing salient features of the financial statements for FY20 in form AOC- 1 is attached to the financial statements of the Company.

The annual accounts, annual reports and the related detailed information on SHFL shall be made available to the shareholders of the Company and to the shareholders of SHFL seeking such information at any point of time. In accordance with Section 136 of the Act, audited annual financial statements, consolidated financial statements and related information of the Company and the audited financial statements of SHFL are displayed on the Company's web site (Refer Table -1) and the same shall be kept at the respective Registered Office of the Company and SHFL for inspection by any shareholder during business hours. Shriram Capital Limited and SHFL continued as promoter and subsidiary of the Company respectively.

8. RESERVE BANK OF INDIA DIRECTIONS/ GUIDELINES

The Company is regulated by the applicable regulations of the RBI, being a deposit accepting NBFC. The Company continues to comply with all applicable regulations of RBI. The details of registration with RBI appear in note no - 1 of notes to the financial statements. The Board confirms that the Company followed the corporate governance standards prescribed by the RBI. The note nos 47, 50 to 81 and other notes of the notes to financial statements contain the information required to be reported under the regulations of the RBI. The disclosure under the Act with respect to deposits is not applicable to our Company as our Company is a NBFC regulated by RBI. The Company

accepts/ renews deposits as per regulations of RBI. The followings are the indicators of acceptance of deposits.

Description	March 31	
	2020	2019
Capital Adequacy and Reserve Ratio ("CRAR")*	27.69%	22.94%
Net owned funds (₹ in crores)	6,786.76	6,321.54
Statutory Liquidity Ratio	18.37%	17.35%
Deposits including maturity payable (₹ in crores)	4,121.90	3 235,23

* The RBI prescribes the maintenance of CRAR 15 percent and above.

Our principal source of liquidity are cash, cash equivalent, current investments and cash flow from operations. We maintain sufficient cash to meet strategic and operational needs. We understand that the liquidity in the Balance sheet need to balance between return and risk. We believe that our working capital is adequate to meet our current requirements.

9. CORPORATE GOVERNANCE

The Company follows the corporate governance practices and standards prescribed under LODR, regulations of RBI and other regulations. Report on corporate governance as required under Regulation 34(3) of LODR together with a certificate for the purpose from the auditors of the Company confirming the compliance with the corporate governance is attached to this Report (Annexure - 2). As required under Regulation 34(2)(e) and 34(3) of LODR, the Management Discussion and Analysis on the business of the Company is attached as Annexure – 3. As required under Regulation 17 (8) of the LODR, a compliance certificate, duly signed by the Managing Director & Chief Executive Officer and Chief Financial Officer on the financial statements of the Company for FY20, was submitted to the Board at their meeting held on June 11, 2020 (Annexure - 4). The relevant provisions of the voluntary guidelines are adopted in the areas deemed appropriate.

10. BUSINESS RESPONSIBILITY REPORT ("BRR")

Regulation 34(2)(f) of the LODR requires top 500 listed entities based on market capitalisation as on March 31, 2020 to include BRR as a part of the Annual Report. The Company being one such entity, has included BRR in this Annual Report (Annexure - 14).

11. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company constituted a CSR Committee consisting of three Directors including two independent directors as required under Section 135 of the Act. The details of the CSR Committee appear on the Annual Report on CSR. Annual Report on CSR activities as required under Rule 9 of the Companies CSR Policy Rules, 2014 of the Act is attached to this report as Annexure – 10. The CSR policy of the Company as recommended by the CSR Committee, was reviewed and approved by the Board and is displayed on the website of the Company (refer table 1). The CSR policy contains the areas of activities of CSR and other detail as required under Section 134 (3) (o) of the Act. During FY20, the Company undertook CSR Projects on health, education, skill development through implementing Agent. The spend on CSR amounting to ₹ 11.75 crores (FY19 : ₹ 4.50 crores) during FY20 were approved by the Board of the Company as recommended by the CSR Committee. The Board affirms that the CSR activities are implemented in accordance with CSR Policy of the Company.

12. BOARD AND COMMITTEES

The Company had optimum number of Directors. Board met 5 times during FY20 and interval between two meetings did not exceed 120 days. Members of the Board possess requisite knowledge and experience to steer the Company. The brief profile of each director appear on the website of the Company (Refer Table 1). Details of meetings of the Board and committees held and the details about appointment, induction, training, retirement and resignation of Directors/KMPs during FY20 are mentioned in the Corporate Governance report (Annexure – 1). The Company complied with Secretarial Standards issued by the Institute of Company Secretaries of India. The Board has Audit and Risk Management

Committee ("ARMC") and Nomination and Remuneration Committee ("NRC") as specified under Section 177 and 178 of the Act respectively. As required under Section 149 (7) and 134(3) (d) of the Act, the Company received necessary declaration from each independent director about his/her meeting the criteria of independence as laid down under of the Act and LODR. A statement by the Managing Director confirming receipt of this declaration from each independent director of the Company is attached as Annexure - 11. There is no change in the circumstances affecting their status as Independent Directors of the Company. The Company received required deed of covenant at the time of appointment of directors and declaration during the Year from the Directors as required under regulations of RBI. The Board on the recommendation of NRC has formulated a policy for selection, appointment and remuneration of directors, senior management personnel as required under Section 178 (3) and 134 (3) (e) of the Act, the details of which appear in the Annexure – 13 and the same is displayed on the web site of the Company (refer table 1). As required under section 134(3)(p) of the Act and LODR ,annual performance evaluation of it's own, the Committees, Chairman of the Board and individual directors based on the criteria and frame work adopted by the Board was carried out during FY20 consisting of participation, attendance, duties, obligations, contribution for effectiveness and related matters of Board/Committee. The outcome of such evaluation done during FY20 was discussed by the NRC/Board and both found it satisfactory. Each Director has given his/her declaration to the Company for not holding any shares in the Company and having no relation inter se with any Director. Independent Directors attend familiarisation programme on joining the Board and annually the details of which is displayed on the web site (refer table 1). Sri Ignatius Michael Viljoen (DIN - 08452443) who was appointed as additional director with effect from July 29, 2019 who hold office until the conclusion of 34th AGM has expressed his intention and confirmed his eligibility to be appointed as Director of the Company. Sri Debendranath Sarangi (DIN – 01408349) and Smt Maya S Sinha (DIN – 03056226) will complete their term on July 27, 2020. They have expressed their intention and confirmed their eligibility to be appointed as Directors of the Company. The details on their appointment as directors forms a part of the Notice of the ensuing AGM. It would be the second term as independent directors, if Sri Debendranath Sarangi and Smt Maya S Sinha are appointed in the ensuing AGM. Sri Yalamati Srinivasa Chakravarti (DIN – 00052308) was appointed as the Managing Director (MD) and Chief Executive Officer (CEO) and Key Managerial Personnel (KMP) from July 1, 2019. Sri Duruvasan Ramachandra (DIN - 00223052) resigned as the MD, CEO and KMP w.e.f June 30, 2019. As per provisions of the Act and Articles of Association of the Company, Sri Shashank Singh (DIN – 02826978) will retire by rotation and being eligible has sought for re-appointment at the ensuing AGM. He has expressed his intention and confirmed his eligibility to continue as Director of the Company if appointed at the ensuing AGM. In compliance with requirements under section 149(7) of the Act and Regulation 16(1) of the LODR the Board has received the declaration from all the Independent Directors about their independence and the Board is satisfied about it

13. DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements were prepared by following Indian Accounting Standard ("Ind AS") prescribed under Section 133 (3) of the Act and relevant rules and guidelines issued by Securities Exchange Board of India ("SEBI"). Pursuant to Sections 134 (3) (c) and 134 (5) of the Act with respect to Directors' responsibility statement, the Directors of the Company hereby confirm, in the preparation of annual accounts for FY20 that :

(i) the applicable accounting standards have been followed and proper explanations have been made in notes to accounts for material departures, if any;

(ii) the accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and statement of the profit and loss of the Company for the year ended on that date;

(iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis.

(v) internal financial controls to be followed were laid down, which were adequate and were operating effectively and

(vi) proper systems had been devised to ensure compliance with provisions of applicable laws, which were adequate and were operating effectively

15. AUDIT AND AUDITORS

Internal audits were conducted periodically during FY20 and the reports thereon were presented to ARMC on quarterly basis. The Internal Auditor is appointed and reporting to ARMC. In addition to others matters, internal audit consisted of independent and objective assessment to monitor adequacy, effectiveness and adherence to the internal controls, processes and procedures Internal audit also checked compliance with extant regulations. Internal audit conducted followed a Risk-based approach of Internal Audit (RBIA) by taking into account the RBI guidelines and established practices. The ARMC regularly reviewed the audit findings and the adequacy and effectiveness of the internal control measures.

The Company has documented its internal financial controls considering the essential components of various processes, physical and operational. This includes its design, implementation and maintenance along with periodical internal review of operational effectiveness and sustenance which commensurate with the nature of business and the size of its operations of the Company. This ensures conducting business in orderly and efficiently by adhering to the Company's policies, safeguarding assets, preventing errors with accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The internal financial controls with reference to the financial statements were adequate and operating effectively.

The auditors of the Company, M/s G.D. Apte & Co. Firm Registration No – 100515W Chartered Accountants ("GDA") have submitted to the members of the Company the attached Independent Auditors Reports for FY20 on standalone financials and consolidated financials. Both the reports are unqualified, without any reservation or adverse remark or disclaimer and thus the Board does not have any explanation or comment. M/s P. Sriram & Associates, Company Secretaries in practice, Chennai ("PSA") appointed by the Company as the secretarial auditors pursuant to Section 204 of the Act have conducted audit and have submitted their report as attached in Annexure - 15 to the Members, which is unqualified, without any reservation or adverse remark or disclaimer. Therefore, Board does not have any explanation or comment on such Secretarial Audit Report. Maintenance of Cost records and conducting of cost audits specified under section 148(1) of the Act are not applicable for the business activities carried out by the Company. During the Year neither GDA nor PSA reported to ARMC under Section 143(12) of the Act any instances of fraud committed by officers or employees of the Company. The Board appointed PSA as secretarial auditor of the Company for FY21.

GDA was appointed by the members as the auditors of the Company from 32nd AGM till conclusion of 36th AGM of the Company. GDA have confirmed their eligibility and have communicated their willingness to continue as auditors. Necessary resolution to fix remuneration of GDA as Auditors is proposed at the ensuing AGM. The details of payment of Statutory Auditors fees appear in financial statements.

16. MANAGEMENT OF RISK

The risk management function of the Company help in identifying, analysing, assessing, mitigating, monitoring and governing risks. The Company has a risk management policy. A separate section in this report titled "Management Discussion and Analysis" discusses about risk and its mitigating factors and the matters required under Section 134 (n) of the Act. In the opinion of the Board, there is no risk existing to threaten the existence of the Company. Report on risk assessment is presented to ARM at its meeting by the Chief Risk Officer of the Company appointed w.e.f August 1, 2019 by the Board at its meeting held on July 29, 2019.

17. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO

Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules 2014 specify the information to be furnished on conservation of energy, absorption of

REPORT OF THE BOARD OF DIRECTORS (Contd.)

technology and foreign exchange earnings/outgo, which for the Year are furnished below.

The operations of the Company are not energy intensive. However, adequate measures for conservation of energy, usage of alternate sources of energy and investments for energy conservation, wherever required were taken. The Company did not absorbed any technology. There was foreign exchange earnings of ₹ 1.71 crores (FY19 : ₹ 1.67 crores). The outgo of foreign exchange was Nil (FY19 : ₹ 0.25 crores)

18. ACKNOWLEDGEMENT

We thank our customers, share holders, investors, bankers, employees, trustees, vendors, auditors, deposit holders and debentureholders. The directors regret the loss of life and resource due to COVID- 19 pandemic and are deeply grateful and have immense respect for every person who risked his/her life and safety to fight this pandemic. The Board expresses its appreciation and gratitude for the guidance and cooperation extended to the Company by RBI, statutory authorities and regulators. The Board acknowledges the guidance of M/s GDA and M/s PSA to the Company. The Board records the commitment and dedication of employees.

For and on behalf of the Board of Directors

Place : Chennai
Date : June 11, 2020

Debendranath Sarangi
Chairperson

REPORT ON CORPORATE GOVERNANCE

ANNEXURE 1

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERANCE :

The philosophy of the Company on Corporate Governance aims at enhancing the stake holders' value by efficiently conducting business, meeting obligation to stake holders by being guided by the principles of transparency, accountability, compliance with regulations and integrity.

2. BOARD OF DIRECTORS

2.1 Composition and appointment

The Board of Directors of the Company ("Board") consist of Executive, Non-Executive, Independent and Non Independent Directors to ensure independent functioning of the Board. We feel that this is appropriate mix of executive, non executive and independent Directors to maintain independence and separate the functions of governance and management. Total number of Directors as on March 31, 2020 was ten. Six out of ten Directors, which is more than half of the number of members of the Board are Independent. One Independent Director is Woman. The Independent Directors meet the criteria of independence specified in Regulation 16 (1) (b) and other applicable regulations of LODR and each Independent Director is independent of the management. The Independent Directors meet the criteria for appointment formulated by the Nomination and Remuneration Committee ("NRC") as approved by the Board. NRC has formulated a Policy on Appointment, Remuneration and Diversity of Board (Annexure – 13), which is displayed on the web site of the Company (Refer table 1) .This ensures diversity of qualification, skill, experience, expertise, gender and age of the Board. The appointment of Directors is made through a transparent process as specified in the policy. Directors appointed are issued with appointment letters. The format of such appointment letter is displayed on the web site of the Company (Refer table 1). The Board periodically evaluates the need for change in size and composition of the Board. Independent Directors were appointed for a fixed period of five years from the date of their respective appointments and their appointments were approved by the members in respective meetings. Non Independent Directors were appointed as per provisions of law. On appointment, and during the year each Independent Director is familiarised with the Company, business, industry, roles and responsibilities, the details of which are displayed on the website of the Company (Refer table 1). The chairperson presides over BMs and meetings of the share holders. The MD and CEO acts as a link between the Board and the management team. The following chart or matrix identified by the Board as the required skills/ expertise/ competencies identified by the Board in the context of the NBFC sector and the Company.

REPORT ON CORPORATE GOVERNANCE
ANNEXURE 1 (Contd.)

Sl. No.	Name of the Director	Skills / Expertise / Competencies identified by Board												
		Financial	Regulatory affairs	Capital market/ treasury	Sales/ Marketing / Recovery	Technology	Risk Management	Planning	Business Analysis	Investor servicing	Decision making	Diversifying the products	Human Resource Management / Leadership	Mergers and Acquisitions
1	Debendranath Sarangi		√					√			√		√	
2	Yalamati Srinivasa Chakravarti	√	√	√	√	√	√	√	√	√	√	√	√	√
3	C R Muralidharan	√	√			√	√			√				
4	Diwakar B Gandhi	√	√	√				√	√	√	√		√	
5	Duruvasan Ramachandra			√	√				√			√		
6	Ignatius Michael Viljoen	√		√			√						√	
7	Maya S Sinha	√	√						√	√				
8	Pranab Prakash Pattanayak	√	√	√			√		√					
9	Ranvir Dewan	√		√			√	√	√					√
10	Shashank Singh	√		√				√	√					√
11	Venkataraman Murali	√	√				√			√				

All Directors are required to declare holding of equity shares or convertible instruments in their name or on beneficial basis by them in the Company as per para C (2) (f) of Schedule V of LODR. Accordingly all Directors declared no such holding by them. All Directors have made declaration about their category of directorships in the Company at the time of their appointment and make this declaration annually. All such annual declarations for FY21 were placed before the Board Meeting ("BM") held on June 11, 2020. None of the Directors is related inter se in terms of 'relative' defined under the Act. Monitoring and managing misuse of Company's assets, potential conflicts of interest of management, board members and shareholders, and related party transactions are done by the Board on quarterly basis.

2.1 DETAILS OF DIRECTORS

S No	Name of the Director	DIN	Category of Directorships		Position	Name of the listed entities	Chairmanship of Committees	Membership of Committees	BM	ALCO	ARMC	BSMC	CSR	ITS	NRC	SRC	IDM	AGM #	*	**	***	Remuneration (₹ in crores)	Percentage of increase during FY20	Ratio of remuneration of each Director/ to median remuneration of employees
1	Sri Debendranath Sarangi	01408349	NE	I	Chairperson	Voltas Ltd - Non Executive, Independent Director	-	CSR, NRC	5		1		2		4	1	1	Present	6	3	-	0.075	42.86	4.85
2	Sri Y S Chakravarti	00052308	E	NI	MD and CEO	-	-	ALCO, CSR, IT Strategy Committee	3	4			2	-				Present	3	-	-	0.488	-	31.53
3	Sri C R Muralidharan	02443277	NE	I	Director	GMR Infrastructure Ltd - Non Executive, Independent Director	SRC,IT Strategy Committee	ARMC, SRC	5		3			1		1	1	Present	4	-	-	0.058	-	3.75
4	Sri Diwakar B Gandhi	00298276	NE	I	Director	-	NRC	SRC	5						3	1	1	Present	9	-	-	0.055	-	3.55
5	Sri Duruvasan Ramachandra	00223052	NE	NI	Director	CES Ltd - Non Executive, Independent Director	-	-	5			24					-	Present	3	2	-	0.292	-	18.86
6	Sri Gerrit Lodewyk Van Heerde	06870337	NE	NI	Director		-	-	1						1			-				-	-	-
7	Sri Ignatius Michael Viljoen	08452443	NE	NI	Additional Director	Shriram Transport Finance Company Limited - Non Executive, Non Independent Director	-	NRC	3						1			NA	6	-	-	-	-	-
8	Smt Maya S Sinha	03056226	NE	I	Director	Shreyas Shipping and Logistics Ltd - Non Executive, Independent Director	CSR	SRC	3		1		1		1	2	1	Present	10	3	1	0.045	13.92	2.91
9	Sri Pranab Prakash Pattanayak	00506007	NE	I	Director	-	ALCO	ARMC	4	2	2						1	Not present	1	-	-	0.045	13.92	2.91
10	Sri Ranvir Dewan	01254350	NE	NI	Director	-	-	ARMC	3		3											-	-	-
11	Sri Shashank Singh	02826978	NE	NI	Director	Zensar Technologies Ltd - Non Executive, Non Independent Director	-	-	5								-	Present	5	2	-	-	-	-
12	Sri Venkataraman Murali	00730218	NE	I	Director	Take Solutions Ltd - Non Executive, Independent Director	ARMC	SRC	5		3					1	1	Present	3	1	1	0.055	0.92	3.55

BM - Board Meeting, ALCO - Asset Liability Management Committee, ARMC - Audit and Risk Management Committee, BSMC - Banking and Securities Management Committee, CSR - Corporate Social Responsibility Committee, ITS - Information Technology (IT) Strategy Committee, NRC - Nomination and Remuneration Committee, SRC - Stakeholders Relationship Committee, IDM - Independent Directors Meeting, AGM - Annual General Meeting

Sri Y S Chakravarti was appointed as Managing Director & CEO w.e.f. July 1, 2019

Sri Duruvasan Ramachandra was appointed as an Additonal Director w.e.f. July 1,2019 and Director w.e.f. July 29, 2019. He was MD till June 30, 2019.

Sri Gerrit Lodewyk Van Heerde retired and not re-appointed w.e.f. July 29, 2019

Sri Ranvir Dewan resigned from the Company w.e.f. December 2, 2019

ALCO was reconstituted with Sri Pranab Prakash Pattanayak as the Chairperson,Sri Y S Chakravarti and Sri Ramasubramanian Chandrasekar as Members of the Committee w.e.f. August 1, 2019

ARMC was reconstituted with Sri Venkataraman Murali as the Chairperson,Sri Pranab Prakash Pattanayak and Sri C R Muralidharan as Members of the Committee w.e.f. December 5, 2019

CSR was reconstituted with Ms Maya S Sinha as the Chairperson,Sri Debendranath Sarangi and Sri Y S Chakravarti as Members of the Committee w.e.f. August 1, 2019

BSMC was reconstituted with Sri Ramasubramanian Chandrasekar as the Chairperson, Smt Krithika Doraiswamy and Sri R Jayaraman as Members of the Committee w.e.f. August 1, 2019

NRC was reconstituted with Sri Diwakar B Gandhi as the Chairperson, Sri Debendranath Sarangi and Sri Ignatius Michael Viljoen as Members of the Committee w.e.f. August 1, 2019

ITS was reconstituted with Sri C R Muralidharan as Chairperson, Sri Y S Chakravarti, Sri Ramasubramanian Chandrasekar, Smt Anitha S, Sri R Jayaraman and Sri M Karthikeyan as Members of the Committee w.e.f. August 1, 2019

Sri Ramasubramanian Chandrasekar is member of the ALCO but not member of the Board

Sri Ramasubramanian Chandrasekar, Smt Anitha, Sri R Jayaraman and Sri M Karthikeyan are members of the ITS but not members of the Board

Sri Ramasubramanian Chandrasekar, Smt Krithika Doraiswamy and Sri R Jayaraman are members of the BSMC but not members of the Board

Non - Executive ("NE"), Executive ("E"), Non Independent ("NI"), Independent ("I"), Managing Director and Chief Executive Officer ("MD and CEO")

***Number of directorships held in other companies** (including alternate directorship) held in other companies except Shriram City Union Finance Ltd. ****Membership of the Committees of the Board of Directors of other companies**. *****Chairmanship of the Committees of the Board of Directors of other companies**. "Committee" of other companies here means Audit Committee and Shareholders'/Investors' grievance committee public limited companies in India.

Remuneration : Independent Directors are paid sitting fees only for being a member and attending respective meetings of ALCO, ARMC, CSR, NRC, SRC, IDM and General Meting ₹ 50,000 per meeting attended and ₹ 25,000 per meeting for ITS attended. The remuneration of MD and CEO is as per terms of his appointment.

During FY20 four meetings of ALCO/ARMC/NRC, two meetings of SRC and one meeting of ITS/IDM were held.

Percent increase-Increase in remuneration in FY20 over FY19

Ratio of remuneration-Ratio of remuneration of each Director/to median remuneration of employees

Name of Other listed entities - Name of other listed entities where directorship is held and category of directorship

REPORT ON CORPORATE GOVERNANCE
ANNEXURE 1 (Contd.)

2.2 Board process

BM takes place at least once in each calendar quarter with specific agenda to review, in addition to other matters, the performance and financial results. Management team makes presentations on the operations, financial results, strategy, internal audit, risk management and human resource at the meetings of the Board and Committees. Additional BMs are held by giving appropriate notice on specific needs. The maximum time gap between two BMs does not exceed 120 days. The calendar of BMs for the next financial year are decided in advance. Notice and Agenda of each BM is given to each Director in advance. In addition to Directors and Senior Management team, persons who can give insight to respective subjects are invited to the BMs. In special and exceptional circumstances, additional or supplementary item(s) is/are permitted. The Chairperson and Company Secretary draft the agenda for each BM in consultation with MD & CEO and CFO with inputs from Directors and the respective functional heads of the Company. Where it is not practicable to attach any document to the agenda of BM, the same is tabled at the BM. In cases of business exigencies or urgent matters, agenda with required papers and draft of the resolution to be passed are circulated. The information as per the requirement of corporate governance norms are made available to the Board including the information as mentioned in regulation 17 (7) of LODR. The Board is also free to take up any matter for discussion in agreement of specified number of Directors and in consultation with the Chairperson. The required decisions taken in the BM are communicated to the concerned functional heads of the Company and an action taken report is placed at each BM. The Board has complete access to all the information and employees of the Company.

The deliberations and decisions occurring in every BM are entered in the minute book. The draft minutes are circulated within specified time to the members of the Board. The minutes are prepared by suitably incorporating the suggestions and changes given by members and are finalised by the Chairperson. The minutes are signed by the chairperson of the same meeting or by the chairperson of the succeeding meeting within the specified time line. The minutes of the BM are circulated to all the members of the Board.

The process specified above for BMs are followed for the meetings of all the Committees constituted by the Board as far as practicable. The minutes of the meetings of the Committees are placed before the BM for discussion, action if any and noting. The minutes of the subsidiary company of the Company are placed before the BM on quarterly basis. The performance evaluation of all independent directors is done by the entire Board excluding the concerned independent director based on the criteria of performance evaluation laid down by the NRC .The Board also evaluates the fulfillment of the independence criteria as specified in LODR and their independence from the management. The criteria of performance evaluation of independent directors as laid down by the NRC is attached as Annexure - 13.

2.3 Functioning of the Board

The Board is the apex body constituted by share holders for overseeing the overall functioning of the Company. The day to day affairs of the Company is managed by senior management team headed by the Managing Director and Chief Executive Officer, who functions under the overall direction, supervision, and control of the Board. The Board and Committees review and guide on the matters specified in different regulations in addition to strategies, plans, risk management, budgets, setting performance objectives and monitors implementation and corporate performance. The Board monitors the effectiveness of practices with respect to governance, disclosure, communication and compliance with regulatory requirements. Board has constituted committees with specific terms of reference by delegating some of its power, where ever required. Committees constituted are as per requirements of business and as mandated under laws. On constitution of Committees, the Board defines the terms of reference and appoints members and the chairperson of the Committee .Committees are named according to broad term of reference. The Committees are constituted or re-constituted depending on business or regulatory need. The Committees are reconstituted with change in members as the need be. The Board thus exercises close control over the functioning of the Company with a view to enhancing the stakeholder value. The Board periodically reviews the compliance by the Company of all applicable laws, as well as steps taken by the Company to rectify non- compliance, if any. Independent Directors play an important role in the governance process of the Board.

2.4 Board meetings and attendance of Directors

Five BMs were held during FY20 - on April 24, 2019, June 29, 2019, July 29, 2019, October 25, 2019 and January 30, 2020 and the time gap between the two BMs did not exceed 120 days during FY20. The attendance and other relevant details of each Director are mentioned in table 2.1

None of the Directors is a member of more than 10 Committees and Chairman of more than 5 Committees across all listed entities as required under regulation 26 (1) of LODR. Directors submitted their requisite disclosures to the Company regarding their directorship and Committee positions in other Companies. The quorum for the BMs is as per provisions of law. The BMs are attended by in addition to, the members of the Board, senior management team and persons who can give insight to different subjects. Board Members attend the BMs being present personally or through video facilities. The meetings of Committees are held as per provisions of law. The number meetings held during the Year is mentioned in the table 2.1. As far as possible, same process is followed for meetings of Committees as BMs.

2.5 Meeting of Independent Directors

A meeting of Independent Directors was held on October 25, 2019 as required under Regulation 25 (3) of the LODR and Schedule IV of the Act to discuss the matters specified therein. The attendance and other relevant details of each Director are mentioned in table 2.1

2.6 Code of Conduct for Directors and senior management

The Board has laid down "Code of Conduct for Board Members and Senior Management" ('CCBS') for the members of the Board and for designated senior management personnel as required under regulation 17 (5) of the LODR. The CCBS is displayed on the web site of the Company (refer table 1). All the Board members and the designated senior management personnel affirmed compliance with the Code. A declaration to this effect signed by the Managing Director and CEO is attached as Annexure – 12.

2.7 Remuneration of Directors

We affirm that the remuneration of the Directors is governed by the policy of the Company named "Policy on Appointment, Remuneration and Diversity of Board" displayed on the web site of the Company (refer table - 1).

Non Executive Independent Directors get sitting fees for each of the meeting of the Board and Committee (where he/she is a member) attended. Such fees paid to the Directors during FY20 are mentioned in the table 2.1.The Managing Director (MD) and CEO of the Company is paid remuneration as per terms of his appointment approved by the Members. The details of remuneration of the MD and CEO is mentioned in Annexure – 9 and there are no stock option provided to MD and CEO. No other remuneration is paid to the Directors except mentioned above. No member of the Board is granted stock options.

3. COMMITTEES OF THE BOARD

The Board has constituted different committees as per guidelines set out in regulation 18, 19, 20, 21 and other applicable regulations of LODR, RBI regulations, the Act and as required for business purposes. The Board defines terms of reference, appoints members and chairperson and make any changes thereof of each committee as and when required. The committees are constituted or reconstituted based on business, regulatory and change requirement. The committees constituted by the Board are Asset Liability Management Committee, Audit and Risk Management Committee, Banking & Securities Management Committee, Corporate Social Responsibility Committee, IT Strategy Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. Brief terms of reference and the number of meetings of the committees held during the Year are provided below. The related attendance of members and composition of each Committee are mentioned in table 2.1.

3.1. Asset Liability Management Committee

This Committee was constituted as required under RBI notification no. DNBS. (PD).CC No. 15/02.01./2000-2001 dated June 27, 2001 applicable to Non Banking Finance Companies.

3.1.1 Brief Terms of Reference

(i) Formulate, review monitor and recommend Policy on Investment, Asset-Liability Management, Private Placement of NCDs, Securitisation, Interest Rate Approach and Gradation of Risk and other related matters, (ii) Formulation of business strategy in line with the Budget, (iii) provide frame work for measuring, monitoring and managing assets

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liabilities/interest risk/liquidity risk/ business risk/ other risk, (iv) decide risk management objectives and ensuring adherence to the limits set by the Board, (v) monitor the asset liability gap, (vi) any other subject as may be specified by RBI from time to time.

3.1.2 Composition and Meetings

Composition of the Committee and attendance are mentioned in the table 2.1. During FY20, the Committee met 4 times on April 24, 2019, July 29, 2019, October 25, 2019 and January 30, 2020.

3.2 Audit and Risk Management Committee

The Audit and Risk Management Committee constituted as required under Section 177 of the Act, regulation 18 and 21 of the LODR and regulation of the RBI

3.2.1 Brief description of the terms of reference

(i) Review financial reporting process, financial conditions, financial statements, results of operations and ensure financial statements are correct, sufficient and credible, (ii) Review internal control and it's adequacy, financial controls, risk management systems, risk assessment reports, management letters, audit report, (iii) Recommend appointment, re-appointment, terms of appointment/ reappointment and remuneration of statutory auditors and review performance and independence of auditor, (iv) review effectiveness of audit process, adequacy and structure of internal audit, internal audit report, investigation report and follow up action thereon, (v) Review repayment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors and scrutiny of inter-corporate loans, inter corporate investments and if necessary valuation of assets or undertaking, (vi) review and recommend monitor different policies including Risk Management Policy and formulate Related Party Transaction ("RPT") Policy and approve RPTs as required, (vii) review cyber security, (viii) approve appointment of Chief Financial Officer (CFO) and Seek information from employees, obtain legal or professional advice. The Company Secretary of the Company acts as the Secretary for the Committee..

3.2.2 Composition and Meetings

The Composition of the Committee and attendance are mentioned in the table 2.1. The Committee met 4 times during FY20 on April 24, 2019, July 29, 2019, October 25, 2019 and January 30, 2020.

3.3 Banking & Securities Management Committee

The Banking and Securities Management Committee is formed for the purpose of banking, borrowing, securities management and other day-to-day business requirement purposes. There were 67 meetings held during FY20.

3.4 Corporate Social Responsibility Committee

The Corporate Social Responsibility ("CSR") Committee was constituted as required under section 135 of the Act.

3.4.1 Brief description of the terms of reference

(i) Formulate, amend, change and recommend to the Board CSR Policy, implement and monitor CSR Policy of the Company, (ii) recommend the amount of expenditure and report utilisation of money on CSR projects/programs/activities and approve CSR projects, all the activities thereto and expenditure thereon.

3.4.2 Composition and Meetings

The Committee met 2 times during FY20 on April 24, 2019 and October 25, 2019.

3.5 IT Strategy Committee

The Committee was formed as required under RBI/ DNBS/2016-17/53 Master Direction DNBS.PPD. No.04/66.15.001/2016-17 dated June 08, 2017 and other applicable regulations of RBI.

3.5.1 Brief description of terms of reference :

(i) Approve and monitor implementation of IT strategy balancing risk and benefits etc, (ii) Formulate, evaluate and review effectiveness of IT outsourcing policy, contingency plan, (iii) Evaluate IT risks and materiality assessing significant risks and reporting to the Board of such risks, (iv) review independent audit report on IT policies and procedures and action taken on such reports

3.5.2 Composition and Meetings :

The Committee met on November 18, 2019

3.6 Nomination and Remuneration Committee

This Committee was constituted as required under Section 178 of the Act, regulation 19 of the LODR and regulations of RBI

3.6.1 Brief description of terms of reference :

(i) Identify fit and proper persons to be directors/ members of senior management and should such a need arise, (ii) recommend removal of director from the Board, (iii) Performance evaluation of directors, Board and Committee on an annual basis, (iv) Scrutiny of the declarations/undertakings by the Directors, (v) Formulation of the attributes for fit & proper person and independence of directors, (vi) Remuneration of directors and key managerial personnel ("KMP"), Management of employee talent, welfare, incentive scheme and stock option scheme.

3.6.2 Composition and Meetings :

The Committee met 4 times during FY20 on April 24, 2019, June 29, 2019, July 29, 2019 and January 30, 2020.

3.7 Stakeholders Relationship Committee

The Committee was constituted as required under Section 178 of the Act, regulation 20 of the LODR and regulations of RBI. The Committee looks into redressal of grievances of shareholders, debenture holders, other security holders.

3.7.1 Brief description of terms of reference:

(i) Investor/customer services/relations and resolution of grievances, (ii) Issue and listing of securities, (iii) Investor Education and Protection Fund ("IEPF") matters, (iv) Review of security holding patterns, (v) Monitor Code of Conduct for Insider Trading.

3.7.2 Composition and Meetings :

The Committee had met twice during FY20 on April 24, 2019 and January 30, 2020. There were no outstanding shareholder complaint at the beginning of FY20 and the Company has not received any complaint from the shareholder during FY20. No complaint was pending as on March 31, 2020.

4 SUBSIDIARY COMPANY

M/s Shriram Housing Finance Limited, CIN : U65929TN2010PLC078004 ("SHFL") is the only subsidiary of the Company. SHFL is managed by it's Board of Directors consisting of 4 Directors out of which 2 Independent Directors and 2 non Independent Directors. Since, SHFL is an unlisted non material subsidiary, the Company is not required to nominate one of it's independent directors on the Board of SHFL. However, the Board nominated Sri Venkataraman Murali, an independent director of the Company as a director on the Board of SHFL. The financial statements, in particular the investments made by SHFL were reviewed during FY20 by ARMC of the Company. The minutes of the meetings of BM and ARM of SHFL were placed before the BM and ARMC of the Company quarterly. A statement containing all the significant transactions and arrangements entered into by SHFL was placed before ARMC of the Company. The Policy on Material Subsidiaries and Events and Policy on Preservation and Archival of Documents is available at the website (refer table – 1)

5 RELATED PARTY TRANSACTIONS

Related party is determined based on Section 188 of the Act, regulation 23, Part A of Schedule V and other applicable regulations of the LODR, RBI regulations and applicable accounting standard. The ARMC of the Company and the Board have approved policy on RPTs, which is displayed on the web site of the Company (refer table 1). The RPTs were reported to the ARMC and the Board on quarterly basis. Requisite approvals of ARMC and the Board were taken for RPTs. The details of transactions with entity(ies) belonging to promoter/ promoter group which holds 10% or more shareholding in the Company is given in the notes to accounts of the financial statements. There were no material RPTs during FY20. RPTs are reported in the Notes to accounts of the financial statements.

6 SHARE HOLDER INFORMATION AND DISCLOSURES

6.1 Corporate

The Company was incorporated on March 27, 1986 as Shriram Hire-Purchase Finance Private Limited with Registrar of Companies, Tamil Nadu, Chennai and got fresh certificate of incorporation consequent to change of name to Shriram City Union Finance Limited with effect from April 10, 1990. The Company made an initial public offering in December, 1994. The corporate identification number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L65191TN1986PLC012840. The Company is registered as a Non Banking Finance Company ("NBFC") with RBI with registration number - 07-00458. The equity shares of the Company are listed in M/s BSE Ltd ("BSE") and M/s National Stock Exchange of India Limited ("NSE").

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6.2 Appointment/reappointment of Directors

One third of the Directors liable to retire by rotation, retires by rotation and if eligible seek reappointment at AGM. As per provisions of the Act and Articles of Association of the Company, Sri Shashank Singh holding (DIN – 02826978) will retire by rotation and being eligible has sought for re-appointment at the ensuing AGM. He has expressed his intention and confirmed his eligibility to continue as Director of the Company if appointed at the ensuing AGM. The notice of the AGM contains this. Sri Ignatius Michael Viljoen who was appointed as additional director with effect from July 29, 2019 who hold office until the conclusion of 34th AGM has expressed his intention and confirmed his eligibility to be appointed as Director of the Company. Sri Debendranath Sarangi (DIN – 01408349) and Smt Maya S Sinha (DIN – 03056226) will complete their term on July 27, 2020. Both have expressed their intention and confirmed their eligibility separately to be appointed as Directors of the Company. The details on their appointment as directors forms a part of the Notice of the ensuing AGM. Sri Debendranath Sarangi and Smt Maya S Sinha were appointed for a period of five years as Independent Directors from July 28, 2015. It would be the second term as independent directors, if Sri Debendranath Sarangi and Smt Maya S Sinha are appointed in the ensuing AGM. The details on their appointment as directors form a part of the Notice of the ensuing AGM. The notice of the 34th AGM states details about the appointment of above named Directors.

6.3 General body meetings / Postal Ballots

The date, time and venue of last three AGMs held and special resolutions passed thereat are as follows. No Extraordinary General Meetings ("EGMs") was held during the last three years.

Year ended March 31	AGM	Location	Date	Time	Special Resolutions passed
2017	31st AGM	Narada Gana Sabha (Mini Hall), No 314 (Old No 254) T T K Road, Alwarpet, Chennai – 600 018	June 30, 2017	10.00 am	*
2018	32nd AGM		July 25, 2018	10.00 am	**
2019	33rd AGM		July 29, 2019	10.00 am	***

*Borrowing powers under section 180 (1) (c) of the Act for an amount not exceeding ₹ 30,000 crores and private placement of securities.

**Increase in borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 36,000 crores and private placement of securities

*** Appointment of Sri Pranab Prakash Pattanayak (DIN- 00506007) as an Independent Director, Appointment of Sri Venkataraman Murali (DIN-00730218) as an Independent Director, Increase in borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 40,000 crores and private placement of securities

The following special resolutions were passed under Section 180 (1) (a) of the Act through postal ballot for creation of security on the assets/ receivables of the Company and for securitisation.

Type of voting	Votes casted in favour			Votes casted against			Date of declaration of results
	No of shareholders	No of votes	Percentage of votes	No of shareholders	No of votes	Percentage of votes	
E	58	4,17,43,594	97.01	14	12,86,011	2.99	July 28, 2015
PBF	166	12,81,551	99.94	9	553	0.04	
E	72	4,99,04,913	92.14	32	42,46,650	7.84	July 28, 2016
PBF	72	9,777	0.02	7	292	0.00	
E	100	5,85,57,370	99.85	6	80,871	0.14	June 12, 2018
PBF	74	8,009	0.01	5	127	0.00	
E	64	54,781,018	95.30	37	2,697,401	4.69	July 25, 2018
PBF	58	4,074	0.01	4	95	0.00	
E	57	5,50,04,731	94.64	36	31,09,304	5.35	July 29, 2019
PBF	60	5,002	0.01	1	5	0.00	

Electronic ("E") and Postal Ballot Forms ("PBF")

Sri P Sriram, M/s P. Sriram & Associates, Company Secretaries in practice was appointed as the scrutinizer for carrying the process of postal ballot in fair and transparent manner.

All business set out in the notice of 34th AGM shall be conducted through remote e-voting in compliance with sections 108, and other applicable Sections of the Act, relevant rules and regulation 44 (3) of the LODR provided by the Company through CDSL. The notice of 34th AGM state the process of respective voting. The voting rights are based on the number shares of the Company held by the member on the cut off date. The scrutinizer appointed by the Board shall submit his report on results of the respective voting to the Chairperson or any other person authorised by the Chairperson after completion of his scrutiny within permissible time.

6.4 Materially significant related party transactions

During FY20, there were no materially significant RPTs entered into, which were in potential conflict with the interest of the Company at large. The details of RPTs are presented in note no 46 of the financial statements attached hereto.

6.5 Accounting treatment

The details of accounting treatment followed during the Year are mentioned in the Notes to Financial Statements.

6.6 Risk management

Our business is subject to uncertainties and risks. The impact of these risks may impact our performance. If any of the risks materialise, our business, financial and prospectus could be materially and adversely affected. The risk management function of the Company help in identifying, analysing, assessing, mitigating, monitoring and governing risks. The Company has risk management policy. A separate section in this report titled "Management Discussion and Analysis" discusses about risk and its mitigating factors is attached to this report (Annexure - 3). Risk management is reviewed by ARMC of the Company on quarterly basis.

6.7 Details of non-compliance and penalties, strictures imposed

There were no instances of non compliance by the Company on any matter relating to capital market during last three Years. No penalties, strictures were imposed on the Company by stock exchanges or SEBI or any other statutory authority (ies) last 3 years.

6.8 Whistle Blower, Vigil Mechanism and Prohibition of Insider Trading

The Company promotes ethical behaviour in all it's business activities. Accordingly ,the Company has formulated "Whistle blower and Vigil Mechanism Policy" in line with regulation 22 of the LODR and RBI regulations for employees to report concerns about unethical behavior providing for adequate safeguard against victimisation of directors/employees, who avail of the mechanism. This policy is disclosed in the web site of the Company. No person is denied access to the ARMC. The Company has formulated "Code for Fair Disclosure and Conduct", which is displayed on the web site of the Company.

6.9 Audit of Reconciliation of share Capital

Audit of reconciliation of share capital is mandated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996. Accordingly, this audit for reconciliation of share capital admitted with NSDL and CDSL with the total issued and listed capital were carried out on a quarterly basis during FY20 by M/s P.Sriram & Associates ("PSA"). PSA was appointed by the Board. The audit reports did not have any adverse comment and the same were submitted quarterly to BSE and NSE within stipulated time.

6.10 Means of communication

Multiple modes are adopted by the Company for communication with shareholders ,debenture holders, fixed depositors such as individual letters, publication in news papers, disclosure to BSE/NSE, display on it's web site, emails ,annual reports etc. The annual and quarterly financial results of FY20 were published in newspaper in English in "Business Standard" and in Tamil in "Makkal Kural" within 48 hours of conclusion of the Board Meetings at which the respective financial results were approved. The same results are displayed at Company's website (Refer table 1). The Company's website contains a separate section "INVESTOR", where shareholder/ security holder information are displayed. The annual report of the Company is also displayed at the same section of the website of the Company (Refer Table -1). The Annual Report of the Company containing director's report, standalone financial statements, consolidated financial statements, auditor's report thereon and other important information are circulated to members and others entitled thereto. The investor complaints are

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processed in centralised web based complaints redressal system controlled by SEBI known as SEBI Complaint redress system ("SCORES"). The Investor section of the web site contains specified email ids for investor servicing ,i.e. sect@shriramcity.in, scufncd18@shriramcity.com, customersupport@shriramcity.com, shriramcity@shriramcity.in The Company has been filing the information related to corporate governance, shareholding pattern, reconciliation of share capital audit and quarterly financial results in the website of NEAPS (National Electronic Application Processing System) viz https://www.connect2nse.com/LISTING and on BSE Listing Centre https://listing.bseindia.com. The presentations made by the Company to analysts are displayed on the web site of the Company (Refer Table -1). The SRC of the Board examines and redresses grievances of the shareholders and investors. The status of grievances of shareholders and investors are reviewed by the ARMC and Board.

6.11 Details of 34th AGM

a. Date and Time	July 31, 2020 at 10 a.m.
b. Venue	The Company will conduct meeting through VC/OVAM from Chennai pursuant to the MCA circular dated May 5, 2020. For details please refer to the Notice of AGM.
c. Dividend	Interim dividend of ₹ 6.00 per equity share declared by the Board at its meeting held on October 25, 2019 was paid on November 18, 2019. The Board has not recommended any final dividend .The Interim dividend paid during FY20 shall be dividend for the year

6.12 Financial Year

The financial year for FY20 was from April 1, 2019 to March 31, 2020. The next financial year is from April 1, 2020 to March 31, 2021. The financial year of the Company is from April 1 to March 31.

6.13 Details of listing on stock exchanges

The annual listing fees to BSE and NSE and annual custodian fees to NSDL and CDSL for the FY20 for the Company were paid on time. The equity shares of the Company with ISIN – INE722A01011 are listed in BSE with stock code 532498 and NSE with stock code SHRIRAMCIT. The details of listed secured redeemable non-convertible debentures (NCDs) of the Company are displayed on the website of the Company (refer Table -1).The Company submitted the documents/information to the respective Trustees to the issues and allotment of NCDs were made on time during the Year in compliance of Regulation 55 of the LODR.

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6.15 Stock market price data

The volume and market price (high and low) of equity shares of the Company traded during each month during FY20 are given below.

	NSE							BSE						
Month	Per share price (in ₹ of the Company)			Volume of Shares traded	NIFTY (in ₹)			Per share price (in ₹ of the Company)			Volume of Shares traded	SENSEX (in ₹)		
	High	Low	Average		High	Low	Average	High	Low	Average		High	Low	Average
Apr-19	1819.9	1652.15	1736.025	244768	11787.15	11575.95	11681.55	1850	1657.35	1753.675	3907	39275.64	38564.88	38920.26
May-19	1629.45	1415	1522.225	321166	11945.9	11148.2	11547.05	1625	1421.1	1523.05	32090	39831.97	37090.82	38461.4
Jun-19	1619.95	1349	1484.475	992276	12088.55	11672.15	11880.35	1619.4	1346.85	1483.125	59925	40267.62	38960.79	39614.21
Jul-19	1583.4	1364.45	1473.925	196521	11946.75	11085.4	11516.08	1581.35	1369.4	1475.375	4559	39908.06	37397.24	38652.65
Aug-19	1439.9	1308.25	1374.075	448509	11109.65	10741.35	10925.50	1431.25	1312.45	1371.85	1677	37641.27	36472.93	37057.1
Sep-19	1361.5	1302.85	1332.175	276383	11600.2	10704.8	11152.50	1356.8	1301.65	1329.225	1896	39097.14	36093.47	37595.31
Oct-19	1349.95	1303.85	1326.9	134123	11877.45	11126.4	11501.93	1352.95	1298.15	1325.55	2707	40129.05	37531.98	38830.52
Nov-19	1355.2	1320	1337.6	451012	12151.15	11840.45	11995.80	1357.3	1320	1338.65	3200	41130.17	40116.06	40623.12
Dec-19	1412.9	1350.15	1381.525	159056	12271.8	11856.8	12064.30	1414.4	1351.4	1382.9	1548	41681.54	40239.88	40960.71
Jan-20	1430.65	1352.65	1391.65	103766	12362.3	11962.1	12162.20	1432.3	1349.7	1391	3069	41952.63	40676.63	41314.63
Feb-20	1465.3	1345	1405.15	329149	12201.2	11201.75	11701.48	1469.9	1346.15	1408.025	1836	41565.90	38297.29	39931.6
Mar-20	1427.05	698.25	1062.65	311584	11303.3	7610.25	9456.78	1425	712.15	1068.575	27685	38623.70	25981.24	32302.47

Average price per share = (High price per share + Low price per share)/2

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6.16 Movement of share price of the Company in comparison to NIFTY and SENSEX

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6.17 Contact Details

Particulars		Name	Address	Contact person name	Telephone number	Fax Number	E-mail id
Registrar and Transfer Agents (RTA)	Equity Shares & Dividend	Integrated Registry Management Services Private Limited	2nd Floor, Kences Towers , No. 1 Ramakrishna Street, Off North Usman Road, T. Nagar, Chennai – 600 017	Ms. Anusha N	+ 91 44 2814 0801 /02/03	+ 91 44 2814 2479	csdstd@ integratedindia.in
	Public issue of NCDs allotted in 2019			Mr. K Balasubramanian			csdstd@ integratedindia.in or scuf@ integratedindia.in
Trustees for NCDs		Catalyst Trusteeship Limited	GDA House, First Floor, Plot No. 85, S No. 94 & 94, Bhusari Colony (Right), Kothrud, Pune – 411 038	Ms. Rakhi Kulkarni	+ 91 20 2528 0081	+ 91 20 2528 0275	dt@ctltrustee.com or grievance@ ctltrustee.com
		Ministry of Corporate Affairs ("MCA")	'A' Wing, Shastri Bhawan, Rajendara Prasad, New Delhi – 110 001		+91 11 2338 4660/ 2338 4659		
		Securities and Exchange Board of India ("SEBI")	Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051		+91 22 2644 9000/ 4045 9000	+91 22 2644 9019 – 22 / 4045 9019-22	sebi@sebi.gov.in
		Reserve Bank of India ("RBI")	16th Floor, Central Office Building Shahid Bhagat Singh Marg, Mumbai – 400 001		+91 22 2260 1000		
Stock Exchanges		National Stock Exchange of India Limited ("NSE")	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051		+91 22 2659 8100 - 8114	+91 22 2659 8120	
		BSE Ltd ("BSE")	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001		+91 22 2272 1233	+91 22 2272 1919	corp.comm@ bseindia.com
Depository		National Securities Depository Limited ("NSDL")	Trade World, A wing, 4th floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013		+91 22 2499 4200 Toll free 1800 222 990	+91 22 2497 6351	info@nsdl.co.in
		Central Depository Services (India) Limited ("CDSL")	Marathon Futurex, A – wing, 25th floor, N M Joshi Marg, Lower Parel, Mumbai – 400 013		+91 22 2305 8640/8624/8639/ 8663 Toll free 1800 22 5533		helpdesk@ cdslindia.com

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6.20 Share transfer system:

Company's shares are held by the holders in dematerialised form and few share holders hold it in physical form. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfer of shares held in dematerialised form are effected through the depositories with no involvement of the Company. In terms of Regulation 40 of SEBI LODR as amended from time to time, securities can be transferred only in dematerialised form w.e.f. April 1, 2019 except in case of request received for transmission or transposition of securities. Transfer of shares held in physical form are effected through the RTA. Valid transfer requests received on or before March 31, 2019 were processed by the RTA and within stipulated time. The documents for transfer of securities held in physical form can be lodged with respective RTAs. The Board has delegated the authority to approve transfer, transmission etc of shares and securities of the Company to it's BSMC. As stipulated under Regulation 40(9) of the LODR, the Company obtained half yearly certificates of compliance with share transfer formalities from M/s P. Sriram & Associates, Company Secretary in practice and filed copies of the said certificates with BSE & NSE during the Year within stipulated time. There were no deviations reported in the said certificates.

6.21 Updation of Demographic Details :

Updation of Nomination, Permanent Account Number ('PAN"), Bank account details and other required details can be made by applying in the specified form with necessary enclosure to the RTA or Depository Participant as the case may be. SEBI has made PAN card as mandatory for transfer/transmission of securities.

6.22 Distribution of shareholding as at March 31, 2020

No. of equity shares held	Shareholders		Shares	
	Number	%	Number	%
UPTO 500	8,041	93.62	4,75,246	0.72
501-1000	259	3.02	1,90,715	0.29
1001-2000	99	1.15	1,45,024	0.22
2001-3000	51	0.59	1,31,240	0.20
3001-4000	18	0.21	61,152	0.09
4001-5000	14	0.16	63,017	0.10
5001-10000	27	0.31	1,89,215	0.29
10001 AND ABOVE	80	0.93	6,47,47,313	98.10
Total	**8,589**	**100.00**	**6,60,02,922**	**100.00**

6.23 Shareholding pattern (in %) as at March 31, 2020

Promoters	Mutual Funds	Banks and FIs	FII	Bodies Corporate	Individuals	Limited Liability Partnership	Foreign Company	Foreign Portfolio Investor	NRIs	Others	Alternative Investment Fund	Total
33.9198	5.2728	0.0285	0.0125	10.2266	1.9254	0.0304	20.3352	27.3695	0.0928	0.1418	0.6447	**100**

6.24 Dematerialisation of shares and liquidity

The Company's equity shares are tradable compulsorily in dematerialised form in BSE and NSE, which are managed by NSDL and CDSL. The connectivity with NSDL and CDSL is established through the RTA. As on March 31, 2020, 6,58,73,294 nos of equity shares (99.80% of the shares), existed in dematerialised form. The Company's shares are liquid and are actively traded in both NSE and BSE.

6.25 Outstanding GDR/ADR/Convertible warrants, conversion date and impact on equity

The Company has not issued any GDRs / ADRs. The Company has granted stock options to the eligible employees of the Company under Employees Stock Option Scheme, 2006. The details of the scheme are set out under annexure to Report of Directors.

REPORT ON CORPORATE GOVERNANCE
ANNEXURE 1 (Contd.)

6.26 Location

The Company is in the business of Non Banking Finance and operates through various offices in India.

6.27 Address for correspondence

Registered Office :123, Angappa Naicken Street, Chennai 600 001, Ph: +91 44 2534 1431

Secretarial Office :144, Santhome High Road, Mylapore, Chennai 600 004.

Ph : +91 44 4392 5300 Fax No : +91 44 4392 5430 Email : sect@shriramcity.in

6.28 Calendar for the financial Year 2020 – 2021 (tentative)

Annual General Meeting	September, 2021
Unaudited results for the quarter ending June 30, 2020	Last week of July, 2020
Unaudited results for the quarter / half –Year ending September 30, 2020	Last week of October, 2020
Unaudited results for the quarter ending December 31, 2020	Last week of January, 2021
Audited results for the Year ending March 31, 2021	Last week of May, 2021

6.29 Adoption of Mandatory and Non Mandatory requirements under LODR

The Company has complied with all mandatory requirements and has also adopted the non mandatory requirements deemed appropriate. The report of the auditors of the Company does not contain any qualification on the financial statements. The posts of Chief Executive Officer ("CEO") and Chairman of the Company are held by two separate persons.

7. COMPLIANCE ON FINANCIAL REPORTING

The Company complies with the requirements of Financial Reporting. The MD & CEO and CFO give annual certification on financial reporting and internal control to the Board in terms of regulation 17(8) read with Part B of Schedule II of the LODR. The said certificate issued for FY20 is attached to this report as Annexure - 4. The CEO & MD and CFO also issue certificate on financial results every quarter, while placing the quarterly financial results before the BM in terms of Regulation 33 (2) (a) of the LODR.

8. COMPLIANCE WITH CORPORATE GOVERNANCE

We have complied with the requirements of Corporate Governance. A certificate from the auditors of the Company, M/s GDA Apte & Co., Chartered Accountants confirming compliance with the conditions of corporate governance as stipulated under Part E of Schedule V of the LODR is attached to this report (Annexure No - 2).The certificate is without any adverse remarks, reservation

9. ELIGIBILITY FOR APPOINTMENT/CONTINUANCE AS A DIRECTOR

Each director has declared to the Company stating that he/she is not disqualified or debarred by the Board / Ministry of Corporate Affairs ("MCA") or any such statutory authority from being appointed as a director on the board of company or to continue as director of company.

REPORT ON CORPORATE GOVERNANCE
ANNEXURE 2

G D Apte & Co.,
Chartered Accountants

To

The Members,

Shriram City Union Finance Limited

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We as the Statutory Auditors of Shriram City Union Finance Limited (the Company) have examined the compliance of conditions of Corporate Governance by, for the year ended March 31, 2020, as stipulated under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (the Regulation)

The compliance of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the Regulations. It is neither an audit nor an expression of opinion on the Financial Statements of the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and in accordance with the explanations given to us, we certify that the Company has at March 31, 2020 complied with the applicable conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration No: 100515W
UDIN : 20121007AAAAAP3931

Anagha M. Nanivadekar
Partner
Membership No.: 121007
Place: Chennai
Date: June 11, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

ANNEXURE 3

GLOBAL ECONOMY

According to World Bank, the global economy grew at 2.4% in 2019 and is estimated to contract sharply by at least 5.2% in 2020. The global slowdown, rising trade barriers, increasing geopolitical tensions and the unexpected Covid-19 pandemic are the key factors that impacted economic activity during the year. Worldwide, countries have implemented containment measures through lockdown and policy initiatives. As a consequence, the growth in the advanced economy group is projected to contract by 7% in 2020. On the other side, Emerging Market and Developing Economies (EMDE) is predicted to contract by 2.5% in 2020 owing to the health crisis, tight global financial conditions and a plunge in commodity prices.

Comprehensive fiscal stimulus will play a significant role in preempting a sharper decline in confidence, lift aggregate demand and prevent deeper downturn. The imperative measures announced by large central banks include monetary stimulus and liquidity infusion to ease overall stress. Thus, ensuring that the economies are better placed to recover as the outbreak fades.

(Source: World Bank)

Outlook

Global economy is anticipated to rebound at 4.2% in 2021, as the economic activities normalise backed by a series of policies measures and containment efforts whilst the pandemic fades. The advanced economy group is forecast to grow at 3.9%, while growth for the emerging market group is forecast at 4.6%.

(Source: World Bank)

INDIAN ECONOMY

India's GDP is registered a muted growth of 4.2% in 2019-20 as against 6.1% in 2018-19 owing to subdued economic activities and the imposed lockdown to contain curb the Covid-19 pandemic (Source: The Economics Times dates May 29, 2020). Factors that impacted growth during the first nine months of the financial year include ongoing credit crunch, sluggish manufacturing growth, muted consumption and the global economic slowdown. The green shoots of recovery in high frequency indicators were visible towards the end of 2019, but it withered due to the inopportune health crisis.

The Government announced an economic stimulus package to the tune of 0.8% of GDP that largely provides income and food support to the poorer and more affected sections of the economy. The Reserve Bank of India (RBI) lowered the repo rate by 40 basis points (bps) which stands at 4%, the reverse repo rate by 40 bps at 3.35% in off-cycle policy review and the cash reserve ratio by 100 bps, among other liquidity easing measures. To alleviate pressure on borrowers, the RBI's also permitted lenders to offer a three-month moratorium on payment of term loans which is further extended till August 31, 2020. Moreover, allotment of ₹ 10,000 crores to the National Housing Bank will aid the real estate sector reeling under the liquidity crisis. This will help provide capital to Housing Finance Companies (HFC) and ultimately deliver major relief to developers battling liquidity issues in times.

In addition, the RBI announced significant fiscal support to ease the stress owing to the nation-wide lockdown. The measures comprise targeted long-term repo operations or TLTRO worth ₹ 1,00,000 crores to ensure adequate liquidity in the system, especially in the corporate bonds, commercial papers and debentures. Further, it made available ₹ 50,000 crore worth liquidity under TLTRO 2.0 window.

Outlook

According to the World Bank, India's economy is projected to contract 3.2% in the 2020-21 and is likely to rebound in fiscal 2022, as the impact of Covid-19 dissipate, and fiscal and monetary policy support pays off. Further, the reduced oil price will lower the outflow of foreign currency, ease inflationary pressure and interest rates.

INDUSTRY REVIEW

Indian Financial Services Sector

The Indian financial services sector is one of the most robust service segments of the Indian economy. It comprises commercial banks, insurance companies, non-banking financial companies (NBFC), co-operatives, pension funds, mutual funds and several other smaller financial entities. The sector is operating in a rapidly evolving regulatory and tax landscape with increasing demand for transparency and efficiency.

Technology has played a significant role in the financial sector's transitions towards delivering enhanced customer service and greater insight than ever before. The advent of smart data analytics allows financial services companies to understand customer needs and serve them better. Digital platforms have also helped organisations develop innovative offerings and processes. The modern approach of adopting multi-cloud creates an ideal platform for the companies to explore emerging technological tools such as AI and blockchain.

MANAGEMENT DISCUSSION AND ANALYSIS ANNEXURE 3 (Contd.)

Indian Non-Banking Financial Companies (NBFCs)

NBFCs play a critical role in the development of an economy by providing a fillip to transportation, employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society. They have been leveraging data-driven credit underwriting, customised product offerings, risk-based pricing and advanced technology tools to drive financial inclusion across the country.

Over the past two years, NBFCs have continued to face liquidity concerns. As a corrective action, the borrowing profile of NBFCs significantly changed from capital market instruments to bank borrowings. As on September 30, 2019, 48.4% of the total borrowings were from banks versus 42.3% in June 2018. On the flipside, the share of borrowings through mutual funds reduced from 33% in June 2018 to 25.9% in September 2019.

The Central Bank and the Government took host of measures to support NBFCs since past couple of years to ease the liquidity crunch in the system. Thus, with the better liquidity conditions and solid business franchise, the industry was looking to return to comfortable levels in the second half of 2019-20, but the novel Covid-19 spread clipped the recovery. According to the Financial Stability Report of the RBI, the asset quality of NBFCs weakened throughout the year 2019, with their gross non-performing assets rising to 6.3% in September 2019 from 6.1% in March 2019, whereas, net NPA ratios remained stable at 3.4% between March and September 2019.

(Source: The Economics Times dated 31st December, 2019)

The nation-wide lockdown to curb Covid-19 crisis will affect the income of many borrowers for several months. Similarly, the businesses of the self-employed and SME borrowers are likely to be under distress, resulting in increased delinquencies. However, the six months moratorium provided by RBI will temporarily reduce the burden of repayment dues for millions of borrowers in the challenging scenario.

Outlook

NBFCs will continue to witness slower credit growth, higher pressure on margins and lesser fund-raising avenues as the outlook for the sector remains weak due to containment measures for Covid-19 pandemic. The overall profitability will moderate across the industry, as the rise in funding cost and decreased lending opportunities would lead to increased margin pressure. However, the measures taken by the Government and RBI will begin to pay off in the medium-to-long term.

INDIAN MSME SEGMENT

MSMEs segment plays a significant role in driving the growth of the economy. The development of this segment is vital to meet the financial inclusion and employment generation initiatives of the Government. With around 63.4 million units across India, it contributes around 45% to the overall exports from India. The sector provides employment to over 120 million people and contributes about 25% to the country's GDP from service activities and over 33% to the manufacturing output.

(Source: Confederation of Indian Industry, Ministry of Micro, Small and Medium Enterprises)

Empowering MSMEs was one of the key focus areas in the Union Budget 2020 to accelerate growth by making structural changes, enabling ease of doing business and providing tax benefits. Incentives for MSMEs in the Budget consists:

- No audit assessment for organisations with a yearly turnover of up to ₹ 5 crores, with an aim to reduce the compliance burden; however, it will be applicable to only those businesses which carry out less than 5% of their business transactions in cash
- Corporate tax for new organisations in the manufacturing has been reduced to 15%; for existing organisations, the rate has additionally been brought down to 22%
- Dividend Distribution Tax has been removed
- Application based Invoice Financing will be introduced for MSMEs to avoid issues relating to delayed payments and consequential cash flows mismatches

- Government e-Marketplace (GeM) will create a Unified Procurement System for providing a single platform for procurement of goods, services and works
- National Logistics Policy will be released soon that will create a single window e-logistics market with emphasis on generation of employment, skills and making MSMEs competitive

According to WTO, the worldwide exchange of goods is anticipated to decrease steeply between 13-32% in 2020 as countries across the world are fighting the pandemic. MSME exporters will be highly impacted on account of Covid-19 pandemic as the sector accounts for over 45% in the total outbound shipments. In order to reduce the impact on the industry, the RBI has eased working capital financing and put off interest payment on working capital facilities without an asset classification downgrade. Additionally, the Government has extended GST payments date till June 2020.

(Source: Bloomberg dated April 8, 2020)

Role of NBFC in MSME Financing

NBFCs have been a major credit provider to the MSME segment mainly at the lower end of the pyramid. In-depth knowledge of micro markets, low-cost distribution, credit underwriting tailored to informal and smaller MSMEs have made NBFCs a preferred partner for availing loans.

NBFCs serve MSMEs through:

- Differentiated credit underwriting that considers several sources of data (formal and informal) in the absence of credit ratings, seasonality of cashflows, industry and cluster risks
- Customised products that are best suited for target segment
- Reduced turn-around time from credit appraisal to disbursement with standardised processes and latest technology platforms

ROLE OF NBFC IN AUTOMOBILE LOAN FINANCING:

NBFCs caters to both wholesale and retail loan book. The traditional segment, retail loan book comprises vehicle financing, microfinance, and housing loans, whereas wholesale assets include infrastructure, structured credit and real estate loans, among others. NBFCs have an immense exposure to vehicle financing covering all the segments. The decline in demand and consumption both from the rural and urban markets, and liquidity squeeze in the financial markets affected loan disbursement. However, subdued demand for new products is being offset by the increased sale of used vehicles. The sale of commercial vehicle (CVs) has already been impacted owing to economic slowdown and the transition from BS-IV to BS-VI norms. NBFCs loan sanctions for the CV loans segment dropped by as much as 36% y-o-y during the second quarter of the fiscal year 2019-20 *(Source: Financial Express dated November 30, 2019)*. The Covid-19 pandemic is expected to further weaken the demand and in turn the financial viability of small transport operators.

ROLE OF NBFC IN GOLD LOANS

Gold loans are primarily taken by people in rural or semi-urban areas by pledging their household jewellery, as they lack access to institutional credit. According to KPMG report, India's gold loan market is projected to reach ₹ 4,617 billion by 2022 at a five-year compounded annual growth rate (CAGR) of 13.4%. The organised players consists banks, NBFCs and Nidhi companies contributing around 35% of the gold loan market. NBFCs providing gold loans will continue to be frontrunners with faster decision-making, rapid adoption of digital tools and expansion into new markets.

Growth in gold loan segment in coming quarters is expected. Demand for gold loan may surge as many seek refuge by borrowing against gold to deal with financial stress in economy because of biggest lockdown.

ROLE OF NBFCS IN HOUSING LOAN

Affordable Housing Segment has been looked upon as growth engines within the housing sector by most of the financial institution. The affordable housing loans are primarily extended to economically weaker section (EWS), middle income group (MIG) and low-income group (LIG) segments

MANAGEMENT DISCUSSION AND ANALYSIS ANNEXURE 3 (Contd.)

in the rural and semi urban areas. Though, the borrowers from these categories do not have the ability to absorb any economic shocks as compared to others. Covid-19 is expected to impact the loan servicing of the borrowers due to restricted scale of operations and limited digitalisation. The collection efficiency of NBFCs is likely to suffer more during the lockdown.

Outlook

Developers focusing on the affordable housing segment are expected to experience reduced sales in the near term. However, the Government has taken initiatives to restore the struggling real estate sector, by setting up a stress fund of ₹ 25,000 crores, for all stalled projects at any stage of construction excluding those in liquidation process by NCLT. The scheme will cover 1,600 stalled projects with 4,58,000 dwelling units. The scheme is already set in motion and once the flow of funds for completion of projects begins, the overall sentiments will revive.

(Source: Financial Express dated January 6, 2020)

By lending to informal borrowers, the affordable housing finance segment remains margin accretive and faces moderate competition from banks and lenders. India Ratings and Research (Ind-Ra) has maintained a stable outlook on affordable housing finance companies (HFCs) and a negative outlook on large HFCs for 2020-21.

PERSONAL LOAN

Retail borrowing has grown over the years led by psychological shift in consumers' borrowing behavior leading to a significant rise in the demand for personal credit. The dramatic changes in technology and financial theory have accelerated the growth of unsecured personal loans. The unsecured loan comprises personal loan and credit card debt. It has emerged as favourite loan category because of larger reliance on credit bureau data and financial tools to analyse the credibility of the borrowers. The credit card outstanding grew at 40.7% in the third quarter of calendar year 2019 compared with 31.7% a year ago. Personal loan grew at 28% compared with 33.5% in the same period last year due to disruption of economic activities. It is anticipated that personal loan demands may increase once the lockdown ends to deal with immediate financial stress.

(Source: Bloomberg Quint)

COMPANY OVERVIEW

Established in 1986, Shriram City Union Finance Limited ('Company') has developed expertise over the years to capture retail finance industry in a cost-efficient way, ensuring sufficient returns for its shareholders. With presence at pan India level, it has 947 branches and AUM of ₹ 29,085.20 crores as on March 31, 2020. The Company caters wide spectrum of users for offering several loan services. The Company is primarily engaged in providing gold loan, personal loan, loan services to small scale business owners and for purchasing two wheelers, commercial vehicles, passenger vehicles.

Asset under management as at March 31 (₹ in crores)

₹ in crores

2018	2019	2020
27,582	29,582	29,085

Product wise performance review (₹ in crores)

₹ in crores

Loan Type	Disbursement in 2019-20	AUM in 2019-20
MSMEs	7,259	16,653
Two-Wheelers	5,604	6,076
Gold Loans	7,107	3,119
Personal	1,704	1,857
Auto	1,038	1,380
Total	**22,712**	**29,085**

CAGR: 2.69%

Key highlights 2019-20

- Increased focus on secured business to fulfill the rising demand for collateral backed receivables
- Allocated more funding to the two-wheeler segment
- Opted for the lower corporate tax rate
- Expanded reach across the country by leveraging existing branch network

MANAGEMENT DISCUSSION AND ANALYSIS ANNEXURE 3 (Contd.)

Key Financial Ratios as on March 31

Key Ratios - Ind AS	Year ended FY19	Year ended FY20
Return on Average Total Assets (Annualized)	3.49%	3.31%
Return on Average Net Worth (Annualized)	16.56%	14.71%
Earnings per share (₹) (Basic)	149.88	151.60
Book Value per share (₹)	969	1092
Capital Adequacy Ratio (CRAR)	22.94%	27.69%
Interest Coverage Ratio	1.63	1.77
Debt Equity Ratio	3.54	3.21

OPPORTUNITIES AND THREATS

Opportunities

- Leader with differentiated position in underprivileged retail markets
- Trusted brand with strong parentage and good track record in financial services
- Comprehensive product range and robust business fundamentals to accelerate growth
- Solid balance sheet with adequate liquidity and healthy capitalisation
- Extensive reach in the rural and semi-urban markets leading to increased customers base
- Government's focus on MSME and Startups aids in increasing the MSMEs portfolio

Threats

- Any amendments in regulatory norms can impact NBFC and ancillary sectors
- Rising commoditisation of the product segments offered by competitors pose the greatest threat for Company
- Growing competition from local and global players can adversely affect the margins

HUMAN RESOURCES

Attracting the best talent, continuously upgrading their skills and retaining them is imperative in today's dynamic business landscape. SCUF continued its journey towards shaping a culture based on the philosophy that 'Talent is and will be the key differentiator propelling success.'

SCUF is committed to provide best-in-class work environment and create people practices aligned with the organisational goals. Learning and development initiatives plays an essential role by building individual and team capabilities. The HR function creates a roadmap for the growth and development of each team member. This roadmap encompasses robust HR Practices such as Digital learning, mentoring, cross functional knowledge sharing, framework of policies and practices, roles and responsibilities among others. The Company organises various training programs aimed at developing employee skills in conducting essential business operations and adapting to the rapidly changing market. Additionally, it conducts sessions on various compliances including prevention of sexual harassment.

Employees at all the level are incited for honest, constructive and developmental conversations. The idea is to encourage a culture of learning and sharing which strengthens the learning mindset of people. The Company continuously strives to improve employee satisfaction by taking feedback from all the employees. The total number of employees as March 31, 2020 stood at 28,699.

RISK MANAGEMENT

Effective risk management is critical to the overall profitability, competitive market positioning and long-term sustainability of the Company. At SCUF, risk is managed through risk management framework as well as through policies and processes approved by the Committees of the Board and the Senior Management. It encompasses independent identification, assessment and management of risk across businesses verticals. The comprehensive risk management policies and processes help to identify, evaluate and manage the risks that are encountered during conduct of business activities in an effective manner.

The Risk Management Committee periodically reviews the risk management policy, implementation and monitoring of risks along with review of various other measures with a systematic plan. This process aids the Company to examine and focus on the critical risks in a constantly evolving financial sector and customer needs. The Risk Management Committee has grouped all risks into major categories comprising credit, legal & regulatory, operational, liquidity, interest rate, cyber security and information technology risks.

MANAGEMENT DISCUSSION AND ANALYSIS ANNEXURE 3 (Contd.)

Risk Management Architecture

Business Continuity Risk

Business Continuity risks arising out of global disruptions like natural disasters, IT outages, lockdown due to pandemic like Covid 19, terror and unrest among others. This will impact the availability and efficiency of people and process, technology and infrastructure.

In such a scenario, the Company has Business Continuity Plan (BCP) to ensure smooth functioning of operations with uninterrupted services to customers. Continuous test and reviews are undertaken to address any discrepancies in the framework and check the effectiveness of the Company's readiness.

It is worthwhile to note that at SCUF, effective business continuity plan is put in place and BCP team quickly evaluated company's response to outbreak like Covid-19 ensuring employee protection & safety, business continuity through remote working, enabling smooth conduct of business work through digital collections, assessing and formulating business strategy along with required communication, thus ensuring preparedness and availability of key critical business successfully functioning during such crisis period.

Credit Risk

Credit risk is the possibility of loss when a counterparty fails to make timely payments, or the credit rating or risk profile otherwise deteriorates. With over three decades of experience, the Company manages credit risk through strict credit norms in retail lending. A robust procedure helps the Company to assess every borrower's credibility before any

loan commitment.

Credit Risk Management, Governance and Control: The Company has employed a wide range of credit risk management practices and controls, as outlined below:

- Comprehensive credit policies, guidelines and practices across business segments and product offerings
- Sturdy credit approval process for all businesses along with well-defined guidelines for minimising the associated risks
- Comprehensive credit appraisal of the borrowers through tele-verification and field visits
- Loan underwriting on the basis of assessed cash flows of customers and inputs from credit bureaus information reports
- Periodic scenario analysis of the credit portfolio to implement corrective measures
- Mandatory use of established credit quality ratings for portfolio investments; reviewed on a regular basis
- Concentration risk managed by analysing counterparty, industry sector, geographical region, single borrower and borrower group
- Risk-based credit portfolio, counterparty, and sector exposure limits have been established

Market Risk

The Company is exposed to financial and capital market risk arising from the adverse movement in equity prices, interest rate, credit spreads, commodity prices and foreign-exchange rates among others.

Market Risk Management, Governance and Control: The Company has employed a wide range of market risk management practices and controls, as outlined below:

- Regular monitoring and review of market trends and risks by the Asset-Liability Management Committee (ALCO) through efficient practices and strategies
- Stress-testing techniques used to measure the impact of large and sustained adverse market movements
- Sound Market Risk Management System for pro-active management of advanced risks and monitoring of portfolio valuations

Operational Risk

Operational risk is the risk of loss (financial and non-financial) resulting from inadequate or failed internal processes, people and systems or from external events. Shortcomings or failure in internal processes or systems may have material adverse impact on the financial position as well as affect the business operation.

A comprehensive Operational Risk Management Framework has been implemented to identify, assess, monitor risks and strengthen controls. The Company has designed training sessions on risk management tools for awareness programs. In addition, management examines various reports to identify any shortcoming with an aim of systemic remediation. Any potential risk with reputational or brand impact is constantly monitored to prevent any legal or compliance complications.

Operational Risk Management, Governance and Control: The Company has employed a wide range of operational risk management practices and controls, as outlined below:

- Operational risk governance policies and practices to monitor, review and report to strengthen controls, improve services and minimise losses
- Governance practices, corporate values, Code of Conduct and Company-wide approach to managing risk set the foundation for mitigating operational risks
- Periodically reviewed and updated internal controls and systems, as per the needs
- Regular skill development workshops to ensure a competent workforce throughout the organisation
- Well-defined standard operating procedures for better control over transactions, processes and regulatory compliance
- Risk based audit conducted on regular intervals across all business functions to reduce enterprise exposure
- Frequent tests and audits of the Brief Disaster Recovery (DR) plan and Business Continuity Plan (BCP) in order to determine the effectiveness of the Company's readiness
- DR and BCP ascertain harmonious continuity of operations including services to customers when confronted with adverse events
- Contingency plan to address data recovery in case of a natural disaster

Interest Rate Risk

It is the risk of financial loss arising from volatility in interest rates for both the lending and treasury operations. This can impact net interest income to decline and adversely impact return on assets and profitability.

MANAGEMENT DISCUSSION AND ANALYSIS ANNEXURE 3 (Contd.)

Interest Rate Risk Management, Governance and Control: The Company has employed a wide range of interest risk management practices and controls, as summarized below:

- Prudent policies and procedures employed for managing the assets and liabilities to ensure exposure within acceptable limits
- Rate-sensitive asset-liability gap analysis used to measure exposure to interest rate fluctuations, providing a static view of the maturity profile of balance sheet positions
- Interest rate gap prepared by categorising all assets and liabilities into several time-period in accordance with contracted maturities or anticipated re-pricing date; the difference in the amount of assets and liabilities maturing, or being repriced in any time period category, indicates the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities

Liquidity Risk

Liquidity is the Company's capacity to fund increase in assets and meet both expected and unexpected cash and collateral obligations at a reasonable cost without incurring losses. Liquidity risk is thus, the possibility that the Company is unable to meet all such obligations as they fall due without adversely affecting the financial condition. The entire NBFC sector is witnessing challenging times as a result of the asset-liability mismatch.

Liquidity Risk Management Governance and Control: The Company has employed a wide range of liquidity risk management practices and controls, which are described below:

- Liquidity is managed in accordance with the Asset Liability Management ('ALM') policies and operating guidelines
- ALCO examines diverse liquidity position (Structural and Dynamic) on a regular basis, under multiple scenarios and at various stress levels
- Maturity ladder and calculation of cumulative surplus/ deficit of funds at selected maturity dates used as a standard tool for determining the liquidity risk
- Contingency plans maintained for management of liquidity in the event of a crisis
- Active management and monitoring of the capital and asset levels to cover potential funding requirements
- Diverse source of liquidity to facilitate flexibility in meeting funding requirements; funding mainly generated through borrowings from banks, financial institutions, capital markets and public (fixed) deposits
- Cash Management and asset-liability management programs to support the Company's ability to maintain the financial position

Cyber Risk

Cyber threats and the associated risks in the external environment in the age of increased remote working have increased and the Company works continuously to improve processes and controls to mitigate these risks. The Company maintains a secure business environment for its clients, employees and customers' information. This requires an effective and secure information technology system and cybersecurity framework to manage threats. In order to safeguard critical assets from cyber-attacks, the Security Operations Center (SoC) functions on 24/7 basis. Further, to mitigate the risks, SCUF constantly keeps on enhancing its capabilities to assess, manage and respond to the ever-increasing threat landscape.

Cyber Risk Management, Governance and Control: The Company has employed a wide range of cyber risk management practices and controls, as outlined below:

- Continuous investments in technology, processes and cybersecurity professionals enhancements to be better prepared and deal with the dynamic threat landscape
- Security framework and policies include procedures that are aligned with recognized industry standards to protect information at all levels
- Comprehensive security program to increase **employee**/ Interested Parties to increase awareness on incidence of attacks such as **malware, phishing, ransomware, spoofing etc.**
- ISO 27001 certification for Information Security Management System **framing policies and procedures on IT framework and covering all IT processes**.
- Email Threat Prevention (ETP) services to quarantine detected advance e-mail threats.
- Frequent assessment and penetration tests conducted to evaluate susceptibilities in the application and IT infrastructure **and network**.
- Measures for authentication and risk-based transaction constantly monitored to prevent fraud.
- **An effective approach in place to the management of information security incidents including communication, documentation, evidence collection & closure on security events and weaknesses so**

as to provide SCUF an effective way to respond to all incidents so as to minimize information security damages.

Information Technology Risk

Today, technology supports virtually all aspects of the Company's business operations. The rapidly changing threat landscape increases the risk of data loss or threats which may lead to financial losses. To manage the risks associated with information technology infrastructure and applications, number of policies, standards and controls have been implemented.

Information Technology Risk Management, Governance and Control: The Company has employed a wide range of IT risk management practices and controls, as outlined below:

- **Regular** security drills and employee awareness programs are in place to ensure IT security and increased awareness
- SOC continuously assess and monitors all the attacks and potential threats on its IT infrastructure **and network**. It helps in following attributes:
  - Detects security threats from within and outside the organization leading to better incident reporting and management
  - Disaster Recovery Drills conducted on regular intervals to attain better Recovery Point Objective (RPO) and Recovery Time Objective (RTO)
  - Stringent security tests and reviews done before launching an application to ensure no prospective loss to the users or the organization
- Vulnerability assessment and penetration testing regularly done by internal resources and external experts to improve the control measures
- Contingency plan ensure that crucial business functions are accessible to customers even though one centre is entirely compromised.
- Contingency plan to ascertain that business functions are available to customers even if one hub is compromised.
- **An effective Business Continuity Plan (BCP) in place and tested successfully and proved on crisis situations such as Flood, 'Covid-19' pandemic etc**.
- Privacy Policy to ensure the protection and usage of customers' personal information as per requirements of regulatory authorities

It is also worthwhile to note that Covid-19 outbreak has impacted businesses across the regions. Lockdown imposed to fight pandemic has posed challenges to businesses along with various risk associated to it. It is important to note that pandemic have contributed to above mentioned risk in one or other way. Management at SCUF is committed to manage all those risk and limits its impact. Various risk and threats are recognized and adequate measures, check and controls are put in place to ensure mitigation and management of such risks

INTERNAL AUDIT

The performance of internal audit departments is regularly reviewed by Audit and Risk Committee to analyse audit findings, efficiency of controls measures and compliance with regulatory guidelines. The internal audit is performed within the regulatory guidelines with preparation and the execution of annual internal audit plan. It reviews the effectiveness, adequacy, proficiency of internal control, processes and procedures within the business. This, in turn aids in protecting the Company's assets.

The Company has adopted a Risk-based approach of Internal Audit (RBIA) with main emphasis on risks that has extensive impact. The structure of RBIA is built considering the stringent RBI guidelines and internationally recognised practices.

The internal audit department provides an integrated report to the Audit Committee for effective audit planning and reporting. The important reports are shared with the management teams and the Audit Committee of the Board.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The internal control system of the Company is devised to harmonise the complexity of its business operations. Internal control improves the reliability of financial reporting and operational information. This in turn ensures strict adherence to all applicable statutes and regulations governing the business operations.

Internal control systems are driven through various policies, procedures and certifications. An internal committee regularly reviews these processes and controls. Any deviations observed in the process of evaluation are highlighted to the Board, which initiates prompt corrective measures.

The Management had evaluated the structure, adequacy and operating effectiveness of the Internal Financial Controls, broadly in accordance with the standards established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO").

MANAGEMENT DISCUSSION AND ANALYSIS ANNEXURE 3 (Contd.)

CAUTIONARY STATEMENT

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.

COMPLIANCE CERTIFICATE BY CEO / CFO

ANNEXURE 4

To

The Board of Directors

Shriram City Union Finance Limited

Chennai

We, Y S Chakravarti, Managing Director and Chief Executive Officer and Sri Ramasubramanian Chandrasekar, Executive Director and Chief Financial Officer of M/s Shriram City Union Finance Limited ("Company") pursuant to Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the best of our knowledge and belief, certify that

(i) we have reviewed the Balance Sheet as at March 31, 2020 and statement of Profit and Loss for the year ending on same date, Cash Flow statement as on the same date and the notes there to (together known as financial statements).

(ii) these financial statements do not contain any materially untrue statement or omit any material fact or they contain statements that might be misleading.

(iii) these financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(iv) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(v) we accept responsibility for establishing and maintaining internal controls for financial reporting of the Company.

(vi) we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.

(vii) there are no deficiencies in the design or operation of internal controls which are to be disclosed to the auditors and/or to the Audit and Risk Management Committee.

(viii) we have indicated to the auditors of the Company and the Audit and Risk Management Committee that there were

a) no significant changes in internal control over financial reporting during the year covered by this report;

b) no significant changes in accounting policy has been made during the year covered by this report except for adoption of Ind AS 116 –Leases using the modified retrospective approach with the date of initial application being April 1, 2019 ;

c) no significant instances of fraud detected during the year except the frauds reported in Notes to Accounts.

Yalamati Srinivasa Chakravarti
Managing Director and Chief Executive Officer
DIN - 00052308

Ramasubramanian Chandrasekar
Chief Financial Officer

Place : Chennai
Date : June 11, 2020

FORM NO. AOC - 2

ANNEXURE 5

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not arm's length basis

Sl. No.	Particulars	Remarks
a)	Name (s) of the related party and nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions	-
f)	Date(s) of approval by the Board	Not applicable
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not applicable

2. Details of material contracts or arrangements or transactions at arm's length basis

Sl. No.	Particulars	Remarks
a)	Name (s) of the related party and nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e)	Date(s) of approval by the Board	Not applicable
f)	Amount paid as advances, if any	-

FORM NO. MGT - 9

ANNEXURE 6

EXTRACT OF ANNUAL RETURN

as on the financial Year ended on March 31, 2020

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	L65191TN1986PLC012840
ii)	Registration Date	March 27, 1986
iii)	Name of the Company	Shriram City Union Finance Limited
iv)	Category/Sub- Category of the Company	Non Banking Finance Company
v)	Address of the Registered Office and contact details	123, Angappa Naicken Street, Chennai – 600 001, Tel No. +91 44 2534 1431
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Enterprises (India) Limited 2nd Floor, 'Kences Towers',No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017 Tel No.: +91 44 2814 0801 - 03

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Non Banking Financial Services	64990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	~~HOLDING~~/ SUBSIDIARY/ ~~ASSOCIATE~~	% of shares held	Applicable section of the Companies Act, 2013
1	Shriram Housing Finance Limited	U65929TN2010PLC078004	Subsidiary	77.25	2 (87)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE TO TOTAL EQUITY)

i) Category-wise share holding

Sl. No.	Category of shareholders	No. of shares held at the beginning of the Year				No. of shares held at the end of the Year				% Change during the Year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	**Promoters**									
1.	**Indian**									
a)	Individual/ HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt (s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	22,268,877		22,268,877	33.74	22,388,077		22,388,077	33.92	-
e)	Banks/FIs	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	**22,268,877**	**-**	**22,268,877**	**33.74**	**22,388,077**	**-**	**22,388,077**	**33.92**	**-**

FORM NO. MGT - 9
ANNEXURE 6 (Contd.)

Sl. No.	Category of shareholders	No. of shares held at the beginning of the Year				No. of shares held at the end of the Year				% Change during the Year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2.	**Foreign**									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other- Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks /FIs	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	**22,268,877**	**-**	**22,268,877**	**33.74**	**22,388,077**	**-**	**22,388,077**	**33.92**	**-**
B.	**Public Shareholding**									
1.	**Institutions**									
a)	Mutual Funds	38,73,955	-	38,73,955	5.87	34,80,194	-	34,80,194	5.27	(0.60)
b)	Banks / FI	4,633	-	4,633	0.01	5,934	-	5,934	0.01	(0.00)
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt (s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	12,898	-	12,898	0.02	0.02
g)	FIIs / FPI	1,72,79,938	-	1,72,79,938	26.18	1,80,72,908	-	1,80,72,908	27.38	1.20
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify) Qualified Foreign Portfolio Investor									
	Alternative Investment Fund	4,47,353	-	4,47,353	0.68	4,25,548	-	4,25,548	0.64	(0.03)
	Sub-total (B) (1)	**2,16,05,879**	**-**	**2,16,05,879**	**32.74**	**2,19,97,482**	**-**	**2,19,97,482**	**33.33**	**0.59**
2.	**Non - Institutions**									
a)	Bodies Corporate									
i)	Indian	67,77,042	1,950	67,78,992	10.27	67,47,869	1,950	67,49,819	10.23	(0.04)
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal Share Capital upto ₹ 1 lac	10,25,727	1,47,080	11,72,807	1.78	8,09,767	1,27,678	9,37,445	1.42	(0.36)
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lac	4,87,468	-	4,87,468	0.74	3,33,384	-	3,33,384	0.51	(0.23)
c)	**Others (specify)**									
	Clearing Members	5,352	-	5,352	0.01	37,838	-	37,838	0.06	0.05
	Trusts	-	-	-		50	-	50	0.00	0.00
	NRI	1,75,307	-	1,75,307	0.27	61,220	-	61,220	0.09	(0.17)
	Limited Liability Partnership	22,452	-	22,452	0.03	20,042	-	20,042	0.03	0.00
	Corporate Bodies (Foreign Bodies)	1,34,21,889	-	1,34,21,889	20.35	1,34,21,889	-	1,34,21,889	20.34	0.00

FORM NO. MGT - 9
ANNEXURE 6 (Contd.)

Sl. No.	Category of shareholders	No. of shares held at the beginning of the Year				No. of shares held at the end of the Year				% Change during the Year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	Unclaimed Securities Suspense A/c	500	-	500	0.00	475	-	475	0.00	0.00
	IEPF Authority	52,794	-	52,794	0.08	55,201	-	55,201	0.08	0.00
	Sub-total (B) (2)	**2,19,68,531**	**1,49,030**	**2,21,17,561**	**33.52**	**2,14,87,735**	**1,29,628**	**2,16, 17,363**	**32.75**	**(0.76)**
	Total Public Shareholding (B) = (B) (1) + (B) (2)	**4,35,74,410**	**1,49,030**	**4,37,23,440**	**66.26**	**4,34,85,217**	**1,29,628**	**4,36,14,845**	**66.08**	**(0.16)**
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**6,58,43,287**	**1,49,030**	**6,59,92,317**	**100.00**	**6,58,73,294**	**1,29,628**	**6,60,02,922**	**100.00**	**0.02**

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year			No. of shares held at the end of the Year			% Change in shareholding during the Year
		No. of shares	% of total shares of the Company	% of Share Pledged / Encumbered to total shares	No. of Shares	% of total shares of the Company	% of Share Pledged / Encumbered to total shares	
1.	Shriram Capital Limited	22268877	33.74	-	22371594	33.89	-	0.16
2.	Shriram Financial Ventures (Chennai) Private Limited	-	0.00	-	16483	0.02	-	0.02

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of the shareholder	Shareholding at the beginning (April 1, 2019)/ End of the Year (March 31, 2020)					Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	Date	Increase/ Decrease in shareholding during the Year specifying the reasons	Reasons	No. of Shares	% of total shares of the Company
1	Shriram Capital Limited	22268877	33.74	Apr 1, 2019			22268877	33.74
				Jul 2, 2019	35485	Transfer	22304362	33.79
				Jul 3, 2019	66624	Transfer	22370986	33.89
				Jul 4, 2019	608	Transfer	22371594	33.89
		22371594	33.89	Mar 31, 2020	-	-	22371594	33.89
2	Shriram Financial Ventures (Chennai) Private Limited	-	-	April 1, 2019			-	-
				Jul 3, 2019	16398	Transfer	16398	0.02
				Jul 4, 2019	85	Transfer	16483	0.02
		16483	0.02	Mar 31, 2020	-	-	16483	0.02

FORM NO. MGT - 9
ANNEXURE 6 (Contd.)

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the shareholder	Shareholding at the beginning (April 1, 2019)/ End of the Year (March 31, 2020)					Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	Date	Increase/ Decrease in shareholding during the Year specifying the reasons	Reasons	No. of Shares	% of total shares of the Company
1	Dynasty Acquisition FPI Ltd	13421889	20.354	Apr 1, 2019	-	Acquisition of shares from TPG India Investments I INC in off market transaction	13421889	20.354
		13421889	20.354	Mar 31, 2020			13421889	20.354
2	Piramal Enterprises Limited	6579840	9.978	Apr 1, 2019	-	-	6579840	9.978
		6579840	9.978	Mar 31, 2020	-	-	6579840	9.978
3	East Bridge Capital Master Fund Limited	2562364	3.886	Apr 1, 2019	-	-	2562364	3.886
		2562364	3.886	Mar 31, 2020	-	-	2562364	3.886
4	Matthews India Fund	1873192	2.841	Apr 1, 2019	-	-	1873192	2.841
				Jun 14, 2019	-433	Transfer	1872759	2.840
				Jun 21, 2019	-44887	Transfer	1827872	2.772
				Aug 16, 2019	-36110	Transfer	1791762	2.717
				Aug 30, 2019	-35107	Transfer	1756655	2.664
				Sep 6, 2019	-33631	Transfer	1723024	2.613
				Sep 20, 2019	-70	Transfer	1722954	2.613
				Sep 27, 2019	-84054	Transfer	1638900	2.485
				Sep 30, 2019	-8873	Transfer	1630027	2.472
				Oct 4, 2019	-5831	Transfer	1624196	2.463
				Oct 18, 2019	-15573	Transfer	1608623	2.439
				Oct 25, 2019	-40695	Transfer	1567928	2.378
				Nov 1, 2019	-4585	Transfer	1563343	2.371
				Nov 8, 2019	-2414	Transfer	1560929	2.367
				Mar 20, 2020	8120	Transfer	1569049	2.379
				Mar 31, 2020	-	-	1569049	2.379
5	East Bridge Capital Master Fund I Ltd	1641228	2.489	Apr 1, 2019	-	-	1641228	2.489
		1641228	2.489	Mar 31, 2020	-	-	1641228	2.489
6	WF Asian Reconnaissance Fund Limited	1517945	2.302	Apr 1, 2019	-	-	1517945	2.302
				Apr 19, 2019	11022	Transfer	1528967	2.319
				Apr 26, 2019	72630	Transfer	1601597	2.429
		1601597	2.429	Mar 31, 2020	-	-	1601597	2.429
7	WF Asian Smaller Companies Fund Limited	1516817	2.300	Apr 1, 2019	-	-	1516817	2.300
		1516817	2.300	Mar 31, 2020	-	-	1516817	2.300
8	Cornalina Acquisition (FII) Limited	1223810	1.856	Apr 1, 2019	-	-	1223810	1.854
		1223810	1.856	Mar 31, 2020	-	-	1223810	1.854

FORM NO. MGT - 9
ANNEXURE 6 (Contd.)

Sl. No.	Name of the shareholder	Shareholding at the beginning (April 1, 2019)/ End of the Year (March 31, 2020)					Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	Date	Increase/ Decrease in shareholding during the Year specifying the reasons	Reasons	No. of Shares	% of total shares of the Company
9	Aditya Birla Sun Life Trustee Private Limited (under various sub accounts)	1221692	1.853	Apr 1, 2019	-	-	1221692	1.853
				May 3, 2019	5000	Transfer	1226692	1.860
				May 10, 2019	61100	Transfer	1287792	1.953
				May 17, 2019	28500	Transfer	1316292	1.996
				May 24, 2019	34000	Transfer	1350292	2.048
				Jun 7, 2019	9800	Transfer	1360092	2.063
				Jun 14, 2019	1150	Transfer	1361242	2.064
				Oct 4, 2019	8000	Transfer	1369242	2.076
				Nov 8, 2019	-101700	Transfer	1267542	1.922
				Jan 3, 2020	10000	Transfer	1277542	1.937
				Feb 28, 2020	6485	Transfer	1284027	1.947
				Mar 20, 2020	7327	Transfer	1291354	1.958
				Mar 27, 2020	9000	Transfer	1300354	1.972
				Mar 31, 2020	-	-	1300354	1.972
10	Acacia Partners, LP	1000000	1.516	Apr 1, 2019	-	-	1000000	1.516
		1000000	1.516	Mar 31, 2020	-	-	1000000	1.516

Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning (April 1, 2018)/ End of the Year (March 31, 2019)					Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	Date	Increase/ Decrease in shareholding during the Year specifying the reasons	Reasons	No. of Shares	% of total shares of the Company
1	Sri Duruvasan Ramachandra, MD & CEO	-	-	Apr, 2019	-	-	-	-
		-	-	Mar 31, 2020	-	-	-	-
2	Sri Yalamati Srinivasa Chakravarti, MD & CEO	-	-	Apr, 2019	-	-	-	-
		-	-	Mar 31, 2020	-	-	-	-
3	Sri Ramasubramanian Chandrasekar, CFO	-	-	Apr 1, 2019	-	-	-	-
		-	-	Mar 31, 2020	-	-	-	-
4	Sri C R Dash, CS	8172	0.00	Apr 1, 2019			8172	0.00
				Mar 31, 2020			8172	0.00

Sri Duruvasan Ramachandra held the position of MD & CEO upto June 30, 2019 and Sri Yalamati Srinivasa Chakravarti was appointed as the MD & CEO with effect from July 1, 2019.

Managing Director and Chief Executive Officer ("MD & CEO"), Chief Financial Officer ("CFO"), Company Secretary ("CS"). None of the Directors hold any shares in the Company.

FORM NO. MGT - 9
ANNEXURE 6 (Contd.)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in crores

Particulars	Secured Loans	Unsecured Loans excluding deposits	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,677.02	2,361.73	2,904.26	21,943.01
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	275.25	168.09	215.14	658.48
Total (i+ii+iii)	**16,952.27**	**2,529.82**	**3,119.40**	**22,601.49**
Change in Indebtedness during the financial year				
• Addition	15,485.06	737.00	2,002.35	18,224.41
• Reduction	(13,610.16)	(2,847.29)	(1,130.44)	(17,587.89)
• Movement in IND AS Adjustments	(104.33)	2.92	(8.07)	(109.48)
• Change in Interest payable during the year (Net)	80.05	(71.56)	28.83	37.32
Indebtedness at the end of the financial year				
i) Principal Amount	18,447.59	254.35	3,768.10	22,470.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	355.30	96.53	243.97	695.80
Total (i+ii+iii)	**18,802.89**	**350.88**	**4,012.07**	**23,165.84**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/ or Manager :

₹ in crores

Sl. No.	Particulars of Remuneration	Sri Duruvasan Ramachandra*	Sri Yalamati Srinivasa Chakravarti#	Total Amount
1.	Gross Salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.29	0.49	0.78
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	**0.29**	**0.49**	**0.78**

*Managing Director and CEO upto June 30, 2019

Managing Director and CEO w.e.f. July 1, 2019

FORM NO. MGT - 9
ANNEXURE 6 (Contd.)

B. Remuneration to other directors:

₹ in crores

	Particulars of Remuneration	Name of Directors						Total Amount
		Sri Debendranath Sarangi	Sri C R Muralidharan	Sri Diwakar B Gandhi	Smt Maya S Sinha	Sri Pranab Prakash Pattanayak	Sri Venkatarman Murali	
Independent Directors	Fee for attending Board Committee Meetings	0.075	0.058	0.055	0.045	0.045	0.055	**0.333**
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (I)							
Other Non Executive Directors	Fee for attending Board Committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (II)	-	-	-	-	-	-	-
	Total (B) = (I+II)	0.075	0.058	0.055	0.045	0.045	0.055	**0.333**
	Total Managerial Remuneration (A + B)	-	-	-	-	-	-	**1.113**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

₹ in crores

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1.	Gross Salary		0.56	0.56	1.12
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961				
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961		-	-	-
(c)	Profits in lieu of salary under section 17(3) of Income Tax, 1961		-	-	-
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission		-	-	-
5.	Others, please specify		-	-	-
	Total		0.56	0.56	1.12

Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Company Secretary ("CS"). Sri Duruvasan Ramanchandra held the position of Managing Director and CEO of the Company upto June 30, 2019 and Sri Yalamati Srinivasa Chakravarti is the Managing Director and CEO of the Company w.e.f. July 1, 2019. Since the remuneration paid to them is mentioned in table A above, it is not mentioned here again.

FORM NO. MGT - 9
ANNEXURE 6 (Contd.)

VII. PENALITIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type		Section of the Companies Act	Brief Description	Details of the Penalty/ Punishment/ Compounding/ fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give details)
A.	**Company**	NIL				
	Penalty					
	Punishment					
	Compounding					
B.	**Directors**					
	Penalty					
	Punishment					
	Compounding					
C.	**Other Officers in default**					
	Penalty					
	Punishment					
	Compounding					

ANNEXURE 7

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as at March 31, 2020.

Particulars	SCUF Employees Stock Option Scheme, 2006
Date of shareholder's approval	October 30, 2006
a) Options Granted	13,55,000 equity shares of ₹ 10/- each
Vesting requirements	Options granted shall be vested after the period of one year from the date of grant
b) Exercise price	₹ 35/- per option
Maximum term of options granted	Options granted can be vested after the gap of a one year and the vested options can be exercised within a period of 10 Years
Source of shares	Primary
c) Options vested	13,55,000
d) Options exercised	13,42,040
Number of options outstanding at the beginning of the period	23,565
Number of options granted during the Year	-
Number of options forfeited / lapsed during the Year	-
Number of options vested during the Year	10,605
Number of options exercised during the Year	10,605
e) Number of shares arising as a result of exercise of option	
f) Options lapsed	-
g) Variation of terms of options	-
h) Money realised by exercise of options	₹ 3,71,175
Number of options outstanding at the end of the Year	12,960
Number of options exercisable at the end of the Year	-
i) Total number of options in force	-
j) Employee wise details of options granted to:	
i) Senior Management Personnel	-
ii) Any other employee who receives a grant of option amounting to 5% or more of option granted	-
iii) identified employees who were granted option equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-

ANNEXURE 7 (Contd.)

Particulars	SCUF Employees Stock Option Scheme, 2006
k) Diluted earnings per share (EPS) pursuant to issue of Shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	₹ 151.57
i) Method of calculation of employee compensation cost	Intrinsic value method
ii) Difference between the employee compensation cost so calculated at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	Fair Value method (Using Black Scholes Model): ₹ 30.82 crores Intrinsic Value method: ₹ 30.69 crores Difference in cost : ₹ 0.13 crores
iii) The impact of this difference on profits and on EPS of the Company	Fair Value method - (Using Black Scholes Model) Intrinsic Value method - Impact on Profit - Impact on Diluted EPS -
l) Weighted average exercise price	₹ 35.00
Weighted average fair value	₹ 227.42
m) Fair value of options based on Black Scholes methodology	
Assumption risk free rate	7.67%
Expected life of options (in Years)	5 Years
Expected volatility (based on Monthly Volatility of the Company's stock price on the NSE)	55.36%
Expected Dividends per share	₹ 3.00
Closing market price of share at NSE on date of option granted	₹ 261.45

ANNEXURE 8

G D Apte & Co.,
Chartered Accountants

The Members,

Shriram City Union Finance Limited

This is to certify that the 'SCUF Employees Stock Options Scheme 2006' of Shriram City Union Finance Limited (CIN – L65191TN1986PLC012840), has been implemented in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolution passed by the company at its Extraordinary General Meeting held on October 30, 2006 wherein the aforesaid scheme was approved by the shareholders.

This Certificate is issued under Regulation 13 of the Securities and Exchange Board of India (Share based Employee benefits) Regulations, 2014.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W
UDIN : 20121007AAAAA02312

Anagha M Nanivadekar
Partner
Membership Number: 121007
Pune, June 11, 2020

ANNEXURE 9
DISCLOSURE UNDER RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The remuneration of Sri Ramasubramanian Chandrasekar, Chief Financial Officer ("CFO") and Sri C R Dash, Company Secretary ("CS") during Financial Year 2019-20 ("FY20") was ₹ 0.56 crores and ₹ 0.56 crores respectively. There was an increase of 17% in the remuneration of Sri Ramasubramanian Chandrasekar, CFO and an increase of 18% in the remuneration of Sri C R Dash, CS during FY20.

The percentage increase in the median remuneration of employees in the FY20 was 6% (FY 19.14%)

The total number of employees on the rolls of the Company as on March 31, 2020 was 28,699. (March 31, 2019 : 27,267).

The average percentile decrease in salaries of employees of the Company other than key managerial personnel in FY20 was 4%. Average increase in key managerial remuneration was 17%. There were no exceptional circumstances for increase in the managerial remuneration.

INFORMATION AS REQUIRED UNDER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Employees in receipt of remuneration of not less than ₹ 1.02 crores per annum

FY : 2019-20

Name of the employee	Designation	Remuneration* (₹ in crores)	Nature of employment, whether contractual or otherwise	Qualifications	Experience (in Years)	Date of commencement of employment	Age (in Years)	Last employment held before joining the Company	Relationship with Director/ Manager of the Company
Ramachandran Nair	President	1.06	Permanent	BA, PGDBM	26	12-Mar-2010	51	Fullerton India Credit Co Ltd	No
Siddhartha Pakrasi	President	1.02	Permanent	B.Com, PGDM	22	27-Jun -2011	46	Hong Kong and Shanghai Banking Corporation	No

The above said employees held less than 2% of the equity shares of the Company.

*includes value of perquisites on exercise of options under Employee Stock Option Scheme of the Company

ANNEXURE 9 (Contd.)

Top 10 Employees in terms of remuneration drawn

FY : 2019-20

Sl. No.	Name of the employee	Designation	Remuneration* (₹ in crores)	Nature of employment, whether contractual or otherwise	Qualifications	Experience (in Years)	Date of commencement of employment	Age (in Years)	Last employment held before joining the Company	Relationship with Director/ Manager of the Company
1	Ramachandran Nair	President	1.06	Permanent	BA, PGDBM	26	12-Mar-2010	51	Fullerton India Credit Co Ltd	No
2	Siddhartha Pakrasi	President	1.02	Permanent	B.Com, PGDM	23	27-Jun -2011	46	Hong Kong and Shanghai Banking Corporation	No
3	Lakshmi Narasimhan V	Executive Director	0.79	Permanent	A.C.S,	30	02-Apr- 2015	58	Magma Fincorp	No
4	Monika Kapoor	Senior Vice President	0.74	Permanent	B.Com, LLB, MBA	16.2	07-May -2018	45	Capital First	No
5	Swapneel Patil	Senior Vice President	0.73	Permanent	B.E,	22	25-Mar-2013	46	Fullerton India Credit Company Ltd	No
6	Parikshit Kapoor	Senior Vice President	0.70	Permanent	M.B.A	17	14-Feb-2017	41	ICICI Bank Ltd	No
7	Sameer J Karekatte	Senior Vice President	0.69	Permanent	B.Com, CS-INTER	28	01-Aug-2017	54	Tata Motors Finance Ltd	No
8	Rajesh Tiwari	Senior Vice President	0.66	Permanent	B.Com,M. ComPGDBM.	17	01-Apr-2019	41	Shriram Housing Ltd	No
9	Amit Bhatia	Senior Vice Presid Ent	0.64	Permanent	B.E	17	16-Jan-2018	41	TATA Teleservices	No
10	Dheeraj Kumar Virendra Kumar Srivastava	Senior Vice President	0.64	Permanent	B.COM	25	29-Aug-2018	46	IDFC First Bank	No

ANNEXURE 10
ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. –**

   Shriram City Union Finance Ltd ("Company") formulated a policy named "Corporate Social Responsibility ("CSR") Policy in line with Section 135 of the Companies Act 2013 ("CA13"), Schedule VII to CA13 and Companies (Corporate Social Responsibility Policy) Rules 2014. The Company's CSR Projects/Activities are carried on by the Company directly or through implementing agency as approved from time to time by the CSR Committee in accordance with CSR policy of the Company.

   The CSR spend is planned in advance keeping in view the amount specified under the Companies Act 2013,CSR Policy, scalability and other related matters .The CSR projects of the Company during the financial year 2019-20 were undertaken on education ,skill development, livelihood, art and culture. The Company is open to join hands with other implementing agencies for optimal use of resources and skill. The CSR policy of the Company continues to be displayed on the website of the Company (Refer Table – 1)

2. **The Composition of the CSR Committee**

S No	Name of the Director	DIN	Type of Director	Position
i	Smt Maya S Sinha	03056226	NE, I	Chairperson
ii	Sri Debendranath Sarangi	01408349	NE, I	Member
iii	Sri Yalamati Srinivasa Chakravarti	00052308	E, NI	Member

Executive ("E"), Non Executive ("NE"), Non Independent ("NI"), Independent ("I")

3. **Average net profit of the Company for last three financial years :** ₹ 1156.46 crores

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹ 23.13 crores

5. (a) **Details of CSR spent during the financial year 2019-20 :** ₹ 11.75 crores

   (b) **Total amount to be spent for the financial year :** ₹ 25.38 crores

   (c) **Amount unspent if any :** ₹ 11.38 crores

   (d) **Manner in which the amount spent during the financial year is detailed below**

(₹ in crores)

Sl. No.	Name of the Program (s)	Name of Project	Location	Total proposed amount ₹ in crores	Amount Spent during the year ₹ in crores	Date of commencement	Purpose	% of progress
1	Shriram Matriculation School- Shriram Foundation	Education Skill Development and Livelihood	Prakash Nagar, Vijayawada, Andhra Pradesh	0.50	0.60	Apr-19	Infrastructure, teacher training and student activities	Ongoing
2	Shriram Matriculation School, Tiruneermalai - Shriram Foundation		Tiruneermalai, Chennai, Tamil Nadu	2.50	1.70	Apr-19	Infrastructure, teacher training and student activities	Ongoing
3	Mission 25 - Shriram Foundation		Krishna District, Andhra Pradesh	1.00	0.70	Apr-19	Infrastructure, teacher training and student activities	Ongoing
4	Two wheeler mechanic program - Pratham Education Foundation		Multiple locations in UP, Chattisgarh and Telengana	3.38	2.73	Apr-19	Two Wheeler Training Program, Hospitality & Health Care sectors for 1500 underprivileged youth from Tamil Nadu, Telangana & all over India.	Ongoing
5	Chennai Mathematical Institute		Tamil Nadu	2.00	-	Apr-19	Corpus fund	

ANNEXURE 10 (Contd.)

(₹ in crores)

Sl. No.	Name of the Program (s)	Name of Project	Location	Total proposed amount ₹ in crores	Amount Spent during the year ₹ in crores	Date of commencement	Purpose	% of progress
6	South India Club & Ekadaksha Trust	Art and Culture	New Delhi	4.00	3.02	Apr-19	Support for Art and Culture	
7	Promoting Education	Single Teachers School	Rural Tamil Nadu	1.00	-	Nov-19	Promoting Education, Stopping school drop outs	
8	Promoting Education(Educating the Masses and Promotion of Road Safety awareness in all facets of road usage)	Distribution of helmets to department conduct awareness program on Traffic Safety	Hyderabad and Spread all over India	1.00	-	Nov-19	Road Safety	
9	Contribution to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) set up by the Government of India for Corona Virus COVID – 19 Pandemic	COVID-19 (PM cares Fund)	All over India	3.00	3.00	31-Mar-20	To help the Country to fight against COVID-19 Pandemic	Ongoing
10	Contribution to any Fund established by Union Government or State Government or directly by the Company or through any other agency for the purpose of combating alleviating, helping persons requiring help/ assistance COVID-19	COVID-19 (Other)	India	7.00	-	31-Mar-20	To help the Country to fight against COVID-19 Pandemic	Ongoing
	Total			**25.38**	**11.75**			

Eligible amount of CSR spend for the FY20 is calculated based on the profits appearing in respective financial statements published following Indian Generally Accepted Accounting Practices for FY17 and as per IndAS for FY18 and FY19

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

The Company had spent ₹ 11.75 crores during the year ended March 31, 2020 (March 2019 ₹ 4.50 crores). There was a short spending to the tune of ₹ 11.38 crores during the financial year as the Company could not firm up the projects due to non-availability with the Company, the skills and man power resources.

We hereby affirm that the CSR Policy ("Policy") of the Company as approved by the Board of Directors of the Company is monitored by the CSR Committee and the CSR activities have been implemented in accordance with the Policy.

Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director

Maya S Sinha
DIN – 03056226
Chairperson – CSR Committee

Place : Chennai
Date : June 11, 2020

ANNEXURE 11
DECLARATION ON CERTIFICATE OF INDEPENDENCE FROM INDEPENDENT DIRECTORS

I hereby confirm that the Company has received from each of the independent directors namely Sri Debendranath Sarangi, Sri C R Muralidharan, Sri Diwakar B Gandhi, Smt Maya S Sinha, Sri Pranab Prakash Pattanayak and Sri Venkataraman Murali certificate stating his/her independence as required under section 149 (6) of the Companies Act, 2013.

Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director and CEO

Place : Chennai
Date : June 11, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

SHRIRAM CITY UNION FINANCE LIMITED

123, ANGAPPA NAICKEN STREET,

CHENNAI – 600001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shriram City Union Finance Limited having CIN L65191TN1986PLC012840 and having registered office at 123, Angappa Naicken Street, Chennai – 600001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment at Current Designation in Company
1.	Debendranath Sarangi	01408349	28/07/2015
2.	Srinivasa Chakravarthy Yalamati	00052308	29/07/2019
3.	Coimbatore Ramarao Muralidharan	02443277	29/07/2019
4.	Diwakar Bhagwati Gandhi	00298276	29/07/2019
5.	Duruvasan Ramachandra	00223052	29/07/2019
6.	Ignatius Michael Viljoen	08452443	29/07/2019
7.	Maya Swaminathan Sinha	03056226	28/07/2015
8.	Pranab Prakash Pattanayak	00506007	29/07/2019
9.	Shashank Singh	02826978	28/07/2016
10.	Venkataraman Murali	00730218	29/07/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. P.Sriram & Associates

P. Sriram
Proprietor
Certificate of Practice No - 3310
Membership No–F 4862
UDIN: F004862B000336039

Place: Chennai
Date: June 11, 2020

ANNEXURE 12
DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and designated senior management employees of the Company affirmation that they have complied with "Code of Conduct for Board Members and Senior Management" ("Code") of the Company during the year ended March 31, 2020.

Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director and CEO

Place : Chennai
Date : June 11, 2020

ANNEXURE 13
POLICY ON APPOINTMENT, REMUNERATION AND DIVERSITY OF BOARD

1. BACKGROUND :

Companies Act 2013 ("CA13") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") require the Nomination and Remuneration Committee of a company to recommend to the Board and the Board to approve a Policy on Appointment, Remuneration and Diversity of Board ("Policy"). Regulations of Reserve Bank of India ("RBI") also requires NBFCs to have a policy on Fit and Proper criteria for appointment of Directors. .Accordingly, the Board of Directors ("Board") of M/s Shriram City Union Finance Ltd ('Company") has approved this policy considering the recommendation of its Nomination and Remuneration Committee ("NRC").

2. APPLICABILITY :

This Policy covers the appointment, remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel of the Company and the performance appraisal of the Directors.

3. DEFINITION :

All terms used in the Policy shall have the same meaning as ascribed to them under CA13, SEBI (LODR).

4. OBJECTIVES :

The objective of this policy is to stipulate criteria for

- Appointment, re-appointment, continuance, discontinuance and extension of term of directors KMPs and senior management
- Increase diversity at Board level and to make maximum use of the skills and industry experience of the directors.
- Retain, Promote, motivate and sustain talent in the Company
- Remuneration payable to the Directors, KMP and Senior Management personnel.
- Ensure the remuneration is reasonable, sufficient to attract and retain talents and is proportional to the effort, performance, dedication and achievement relating to the Company's operations of the concerned individual.
- Strike the balance between fixed component and variable incentive of remuneration.

5. CRITERIA FOR APPOINTMENT :

The appointment shall be based on the following criteria.

- Qualification, technical expertise, track record, and relevant experience for the concerned position
- Age, number of years of service, specialised expertise and period of employment or association with the Company.
- Special achievements and operational efficiency which contributed to growth in business in the relevant functional area.
- Constructive and active participation in the affairs of the Company.
- Exercising the responsibilities in a bona fide manner in the interest of the Company.
- Sufficient devotion of time to the assigned tasks.
- Diversity of the Board keeping in view the skills, qualification, experience in varied fields of finance, banking, administrative etc. of directors in different industry and other related matters.
- Having a valid Director Identification Number in case of a director and having name in the data base of the Indian Institute of Corporate Affairs in case of Independent Directors throughout the tenure in the Company.

ANNEXURE 13 (Contd.)

POLICY ON APPOINTMENT, REMUNERATION AND DIVERSITY OF BOARD

CRITERIA FOR REMUNERATION:

The remuneration shall be sufficient based on the criteria of appointment mentioned above and shall be subjected to the limits mentioned below.

Category	Remuneration	Remarks
Whole-time Director & Managing Director	Basic Pay, allowances, Perquisites, Retirement benefits, ESOP and reimbursement of expenses incurred in performance of office duties	Subject to the ceiling limits prescribed under the CA13/ approval of Shareholders.
Director (other than Independent Director)	Sitting Fees and reimbursement of reasonable expenses for attending the meetings of Board and Committees, where such director is a member as decided by the Board from time to time.	Sitting Fees are subject to the applicable ceiling limits (not exceeding 1 lakh per meeting) prescribed under CA13.
Independent Directors	Sitting Fees of ₹ 50,000/- per meeting of the Board, per meeting of each Committee	
Senior Management Personnel/ KMP	Basic Pay, allowances, Perquisites, retirement benefits, ESOP reimbursement of expenses incurred in performance of office duties.	To be decided by the Managing Director based on appointee

The Managing Director shall decide about the remuneration of the executives based on the criteria set, subject to ceiling fixed under any applicable law at the time of appointment and shall decide about reasonable annual increase keeping in view the prevailing market condition, statutory requirements objectives/criteria and any other factor.

The following matters shall be brought to the attention of the NRC for evaluation and recommendation.

a. Remuneration to any person in excess of Rupees two crore per annum

b. Appointment / remuneration of Directors, KMPs, Senior management personnel.

The maximum remuneration payable to all the Directors/managerial personnel shall be capped as provided under Section 197,198, Schedule V of the Act.

On appointment, the Company shall issue appointment letter.

PROCESS OF EVALUATION:

The evaluation of the Board, Committee, Director and Chairperson shall be carried out at least once a year. The evaluation of performance of each independent director shall be done by all the directors except the concerned independent director. The evaluation of performance of non-independent directors shall be carried out by the Independent Directors. Independent Directors shall also evaluate the Board as a whole, the Chairperson of the Company, quantity and timeliness of flow of information. The evaluation shall be carried out through an evaluation sheet based on different criteria, i.e. qualification, experience, age, participation, attendance, knowledge, quality of discussion, beneficial contribution etc. The evaluation and the results thereof shall be confidential.

PERFORMANCE EVLUATION OF THE BOARD/COMMITTEE:

Each director shall be provided with rating sheet on the pre set criteria. The rating sheet shall be filled in by each director with scores awarded by him/her and shall be handed over to the Company Secretary. The total score given by all the directors participating in the evaluation shall be totaled up and averaged out by dividing the total score with number of participating directors. Based on the average score, the Board may decide on the necessary improvemental activities to be undertaken.

PERFORMANCE EVALUATION OF THE DIRECTORS:

Each director shall be provided with rating sheet on the pre set criteria. The rating sheet shall be filled in by each director for all the directors except himself/herself with necessary details with scores awarded by him/her. The filled in rating sheet shall be handed over to the Company Secretary .The total score given by all the directors participating in the evaluation shall be totaled up and averaged out by dividing the total with number of participating directors.

ANNEXURE 13 (Contd.)

OUTCOME OF THE EVALUATION

The outcome of the evaluation shall be placed before the Board, NRC and before the meeting of Independent Directors .The NRC, Meeting of Independent Directors based on their observation of the awarded scores placed before them, can suggest to the Board for action ,if any. Based on the recommendation of relevant Committee and based on its own observation, Board can decide about continuance, discontinuance and extension.

EFFECT AND REVISION:

This policy shall come into effect from April 1, 2020 and shall remain in force till amended by the Board with recommendation of the Committee. Any regulatory changes affecting this Policy shall prevail over this Policy.

DIVIDEND DISTRIBUTION POLICY

1. Preamble :

Dividend is the payment made by a company to its shareholders, usually in the form of distribution of its profits. The profits earned by a company can either be retained in business and or be used for acquisitions, expansion, diversification, business growth or it can be distributed to the shareholders. A company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to balance between these. This Dividend Policy ("Policy") will guide dividend declaration and its pay-out by the Shriram City Union Finance Limited ("Company") in accordance with the provisions of Companies Act 2013 ("CA13"), Rules thereunder ("Rule") Secretarial Standard ("SS"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and any other applicable rules and regulations. The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all shareholders of the Company. The Board of Directors of the Company ("Board") will refer to the policy for declaring/ recommending dividends. This policy is framed as required under SEBI Circular No. SEBI/ LAD-NRO/GN/2016-17/008 dated July 8, 2016.

2. Applicability and Review :

It shall come into force with effect from April 1, 2020. Any change in applicable law, regulation shall prevail over this Policy. This policy shall be reviewed by the Board periodically for any changes or amendments. The Company has issued only Equity Shares and no Preference shares issued by the Company are outstanding.

3. Definitions :

i. Company : Shriram City Union Finance Limited

ii. Board : Board of Directors of the Company

iii. Current Financial Year : The financial year for which the dividend is declared/ recommended

iv. Dividend : Distribution of any sums to Members out of Profits of the Company and included both interim and final dividend

v. Dividend Pay Out Ratio: The percentage of dividend paid/recommended bears to Profit determined for Dividend purposes.

vi. Interim Dividend: Dividend declared by the Board

vii. Final Dividend: Dividend recommended by the Board and declared by the Members at an Annual General Meeting of the Company.

4. Category of Dividends :

The CA13 provides for two forms of Dividend - Final and Interim.

(i) Interim Dividend

The Board shall have the absolute power to declare interim dividend during a financial year, as and when it considers fit .The Board may endeavor to declare an interim dividend one or more times in a financial year after finalisation of quarterly/half yearly/yearly financial accounts based on the profits of the Company.

ANNEXURE 13 (Contd.)

(ii) Final Dividend

The Final dividend shall be recommended to the shareholders/members of the Company by the Board after the annual financial statements are approved by the Board. The Board shall recommend the payment of Final Dividend to the shareholders/members for their approval as an ordinary business item of the Annual General Meeting. **If the Board declares more than one interim dividend in a financial year, the Board may recommend to the shareholder to treat the last interim dividend as a final Dividend.**

5. Factors to be considered for declaring Dividend :

The payment/recommendation of dividend is to determine the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. The Board considers a stable dividend to constitute an important element of the Company's investment attractiveness and shareholder return. As a leading Non banking finance Company operating in rapidly developing, yet volatile, markets, its primary need is to maintain sufficient resources and financial flexibility to meet financial and operational requirements. The Retained earnings strengthen the Company's net owned funds. It will further help in maintaining Capital Adequacy Ratio (CAR) for the Company. The Board from time to time will decide utilisation of the retained earnings for organic/inorganic growth, market competition, creating long term shareholder value etc. The Board will ensure judicious balancing of these factors in the interest of the Company and its stakeholders. The decision regarding recommendation/declaration of dividend will depend upon various external and internal factors including the following:

(i) External Factors:-

State of Economy - in case of uncertain or recessionary economic and business conditions, the Board will endeavour to retain larger part of profits to build up reserves to absorb future shocks

Capital Markets - when the markets are favourable, dividend pay-out can be liberal. However, in case of unfavourable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Statutory and Contractual Restrictions- The Board needs to keep in mind the restrictions imposed under the Act and any other laws, the regulatory developments with regard to declaration of dividend, the Company's contractual obligations under the loan agreements / debenture trust deed and other agreements, documents, writings limiting / putting restrictions on dividend pay-out

(ii) Internal Factors:- In addition to the matters mentioned in CA13, regulations and this Policy, the following factors shall be considered.

Profitability, cash flow, cost of funds, business growth/expansion, diversification, additional investments, acquisition of business, modernisation and any other matter as may be decided by the Board from time to time.

The Shareholders of the Company may or may not expect dividend for a financial year(s) in the circumstances of (a) challenging/sluggish market conditions, (b) tough liquidity position, (c) losses /no profits/inadequate profits.

6. QUANTUM OF DIVIDEND :

Dividend shall be recommended/declared by the Board out of profits of the Current Financial Year of the Company .It shall not be recommended/paid out of Free Reserves or Profits of earlier financial years or both .No dividend shall be declared/paid if there is default in redemption of debentures, payment of interest on debentures, creation of debenture redemption reserve, creation of capital redemption reserve, payment of dividend declared. The following matters shall be considered for determining the quantum of dividend. Company shall declare/recommend and disclose the Dividend on per share basis only

i) Current financial year's profit as determined for the purpose of Dividend in terms of applicable provisions of CA13.

ii) Transfer to reserves such amount as may be prescribed under the CA13,RBI regulation and other applicable regulation

ANNEXURE 13 (Contd.)

The determination of dividend pay-out shall depend upon regulatory, internal and external factors .The Board may maintain a Dividend pay-out ratio (including the applicable dividend distribution tax) in the range of 20 – 25% or such other range as may be decided by the Board from time to time of profits after tax (PAT).

7. Process Payment of Dividend :

- The Company will give prior intimation of 2 working days to Stock Exchanges (excluding the date of intimation and the date of the Board meeting) of date of Board Meeting in which the declaration / recommendation of dividend will be considered.
- The Company will inform about the decision taken by Board regarding dividend to Stock Exchange within 30 minutes of the closure of the Board Meeting.
- The Company will fix **Record date** for the purpose of determination for list of shareholders eligible to receive dividend .Persons appearing as members in the register of members or benpose of the Company shall be entitled for Dividend.
- The intimation for fixing **Record date** shall be given to exchange at least seven working days in advance (excluding the date of intimation and the record date).
- Payment of Dividend shall be made through electronic mode or cheques or payable at par warrants. If dividend is payable by at par warrants or cheques they shall be sent by speed post, if it exceeds one thousand five hundred rupees. The Company shall be discharged of its responsibility of payment of Dividend on the amount debited to the Dividend Banking account of the Company with such dividend paying Bank.
- The dividend declared shall be deposited in a scheduled bank in a separate account within five days form the date of declaration of such dividend.

8. Unclaimed/Unpaid Dividend :

- Dividend declared by a Company remaining unpaid or unclaimed within 30 days from the date of declaration of Dividend, the Company shall within 7 days from the date of expiry of the said period of thirty days to a special account to be opened by the Company in any Scheduled bank to be called the Unpaid Dividend Account.
- Any money transferred to the Unpaid Dividend Account of a Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with Interest accrued, if any, thereon to the Fund established by the Central Government called Investor Education and Protection Fund (“IEPF”) and investors can claim refund from IEPF and not from Company.

BUSINESS RESPONSIBILITY REPORT

ANNEXURE 14

	BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED ON MARCH 31, 2020	
	SECTION A : GENERAL INFORMATION ABOUT THE COMPANY	
1	Corporate Identity Number (CIN) of the Company	L65191TN1986PLC012840
2	Name of the Company	Shriram City Union Finance Limited
3	Registered address	123, Angappa Naicken Street, Chennai - 600 001
4	Website	www.shriramcity.in
5	E-mail id	sect@shriramcity.in
6	Financial Year reported	2019-2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code-64990
8	List three key products/services that the Company manufactures/provides (as on March 31, 2020)	Please refer to page 6 & 7 for product details under heading "Being Agile & Adaptive through well - diversified product offerings".
9	Total number of locations where business activity is undertaken by the Company	
a)	Number of International Locations (Provide details of major 5)	Nil
b)	Number of National Locations	947
10	Markets served by the Company - Local /State/National / International	National
	SECTION B : FINANCIAL DETAILS OF THE COMPANY	
1	Paid up Capital (INR in lacs) (Consolidated)	6,600
2	Total Turnover (INR in lacs) (Consolidated)	6,23,930
3	Total profit after taxes (INR in lacs) (Consolidated)	1,03,321
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	1.18%
5	List of activities in which expenditure in 4 above has been incurred	Education, Health care, Welfare and Culture and skill development
	SECTION C : OTHER DETAILS	
1	Does the Company have any Subsidiary Company / Companies	Yes. M/s Shriram Housing Finance Limited
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company ? If yes, then indicate the number of such subsidiary Company (s)	The Subsidiary does not participate in the BR initiatives of the Company
3	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? (Less than 30%, 30%-60%, More than 60%)	No other entity participates in the BR initiatives of the Company
	SECTION D : BR INFORMATION	
1	Details of Director/Directors responsible for BR	Sri Yalamati Srinivasa Chakravarti, Managing Director, DIN-00052308, Telephone No. +91 44 4392 5300, email id - md@shriramcity.com
a)	Details of the Director/Director responsible for implementation of the BR policy/policies	
b)	Details of BR Head	

BUSINESS RESPONSIBILITY REPORT
ANNEXURE 14 (Contd.)

2. Principle-wise (as per NVGs) compliance with BR Policy(ies)

Sl	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	N	Y	N	N	Y	N	N	N
3	Does the policy conform to any national/ international standards? If yes, specify(50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board ? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board /Director official to oversee implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online	Refer to the Note below								
7	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency	Y	Y	Y	Y	Y	Y	Y	Y	Y

Yes (“Y”) ,No (“N”)

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 Business should promote the wellbeing of all employees

P4 Business should respect the interest of and be responsive towards all stake holders, especially those who are disadvantaged, vulnerable and marginalised

P5 Business should respect and promote human rights

P6 Business should respect, protect and make efforts to restore the environment

P7 Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Business should support inclusive growth and equitable development

P9 Business should engage with and provide value to their customers and consumers in a responsible manner

BUSINESS RESPONSIBILITY REPORT
ANNEXURE 14 (Contd.)

If answer to the question at serial number 1 against any principle, is 'No', please explain why : (Tick up to 2 options)

Answers to the question at 1 in the above table for all the Principles is Yes. So, explanation is not required.

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 year									
6	Any other reason (please specify)									

Notes for Sl no 3 to the above table : The policies are formulated based on applicable regulations/general practices and therefore the polices conform to national standards

Note for Sl no 6 to the above table: The web link for the policies of the Company are as follows htttps:// www.shriramcity.in/Investors----->Company Information--->Policies. The remaining policies are not displayed on the web site as they are internal to the Company

3. Governance related to BR

The Business Responsibility Policy constitute different policies of the Company. Those policies were implemented and the compliance of such policies were discussed in the meeting of the Board of Directors of the Company each quarter during FY20 . This report is displayed on the web site of the Company as part of the Annual Report

		SECTION E : PRINCIPLE - WISE PERFORMANCE	
1	**P1**	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group / Joint Ventures / suppliers / Contractors / NGOs / Others?	Yes. It extends to Company only
2		How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.	Please refer to notes to accounts
1	**P2**	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities	The Company is a NBFC . This is not applicable
2		For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)	Not Applicable
a		Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain	Not Applicable
b		Reduction during usage by customers (energy, water) has been achieved since the previous year	Not Applicable
3		Does the Company have procedures in place for sustainable sourcing (including transportation)	Not Applicable
a		If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Not Applicable
4		Has the Company taken any steps to procure goods and services from local & Small producers, including communities surrounding their place of work	The Company is a NBFC and Procures Goods locally .The Company prefers employing from the same locality
		If yes, what steps have been taken to improve their capacity and capability of local and small vendors	
5		Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	No. Not Applicable.

BUSINESS RESPONSIBILITY REPORT
ANNEXURE 14 (Contd.)

		SECTION E : PRINCIPLE - WISE PERFORMANCE	
1	P3	Please indicate the Total number of employees	28,699
2		Please indicate the Total number of employees hired on temporary/ contractual/ casual basis	as on March'20 Consultants on contract 383, Temporary &Casual – NIL.
3		Please indicate the Number of permanent women employees	3,700
4		Please indicate the Number of permanent employees with disabilities	34
5		Do you have an employee associated that is recognised by management	No
6		What percentage of your permanent employees is members of this recognised employee association	Not applicable
7		Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on end of the financial year	Nil
8		What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees,(b) Permanent Women Employees, (c) Casual/Temporary/Contractual Employees, (d) Employees with disabilities	All New Joinees and, (a) Permanent Employees 51% of existing employees. (b) Permanent Women Employees 58% of existing employees. (c) Casual/ Temporary/Contractual Employees - Nil Employees with disabilities 50% of existing Employees.
1	P4	Has the Company mapped its internal and external stakeholders	Yes
2		Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders	Yes
3		Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. Please refer to Note below.
1	P5	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs / Others	Yes. Only to Company
2		How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management	Please refer to the notes to accounts
1	P6	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others	Company
2		Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc. If yes, please give hyperlink for webpage etc.	Yes
3		Does the Company identify and assess potential environment risks	No
4		Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed	No
5		Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. If yes, please hyperlink for web page etc.	No
6		Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported	Not Applicable
7		Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil

BUSINESS RESPONSIBILITY REPORT
ANNEXURE 14 (Contd.)

		SECTION E : PRINCIPLE - WISE PERFORMANCE	
1	P7	Is your Company a member of any trade and chamber or association ? If yes, Name only those major ones that your business deals with	Yes. M/s South India Hire Purchase Association, M/s Madras Chamber of Commerce and Industry
2		Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. Governance and Administration
1	P8	Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. Refer Note below
2		Are the programmes/projects undertaken through in-house team/own foundation /external NGO/government structures / any other organisation?	Programmes/Projects are undertaken by the Company, in house, external NGOs and combination of these.
3		Have you done any impact assessment of your initiative	Yes
4		What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken	Please refer "ANNUAL REPORT ON CSR"
5		Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	Steps have been taken for community development through our lending activities and by our CSR activities
1	P9	What percentage of customer complaints / consumer cases are pending as on the end of financial year.	Please refer to the notes to accounts
2		Does the Company display product information on the product label, over and above what is mandated as per local laws	Not Applicable
3		Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti -competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4		Did your Company carry out any consumer survey/ consumer satisfaction trends?	No

Notes

P4.3: A significant number of our borrowers belong to low income group and persons not having access to formal line of credit. This is our special initiative to identify such borrowers and meet their credit requirement. We also meet the education and welfare need of marginalised persons through our corporate social responsibility activity.

P8.1: The Company is driven by one of it's objective of financial inclusiveness, in which the financial needs of persons not having access to formal banking system are provided with finance. This in turn contributes to inclusive growth and equitable development

SECTION E

PRINCIPLE -WISE PERFORMANCE

Business Responsibility ("BR") of the Company takes into consideration the principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business ("NVG"). To enable it further, the Company has got Policies, Framework, Codes, Management Systems and Monitoring tools. The BR matters are monitored by the respective functional heads of the Company

BUSINESS RESPONSIBILITY REPORT
ANNEXURE 14 (Contd.)

Principle 1: Businesses should conduct and govern themselves with Ethics, transparency and accountability

The Company is governed with ethics, transparency, accountability and in compliance with applicable laws. Corporate Governance of the Company reflects ethics, transparency and accountability The Code of Conduct for Board Members and Senior Management ("CCBS") governs the conduct of Directors and Senior Management personnel and they confirm adherence to the CCBS annually. CCBS is reviewed and upgraded regularly. The Company regularly communicates in different modes with it's members, security holders, other agencies and public at large. The Whistle Blower Policy of the Company is aimed at bringing out unethical conducts and thereby making transactions ethical and transparent. The Company conducts familiarisation programmee for Independent Directors, which together with fair disclosure make activities transparent. The roles of Chairman and CEO are separately held by different individuals and the Chairman is an Independent Director ,which bring in transparency and ethics.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company is engaged in the business of financing and provides loans to its borrowers and accepts deposits from public. The products and services provided by the Company, not being physical in nature are safe and sustainable. The Company as a whole works towards reducing our environmental foot prints.

Principle 3: Businesses should promote wellbeing of employees

The Company is an equal opportunity provider to all employees starting from their recruitment irrespective of their caste, creed, gender, race, religion, language, disability or sexual orientation. Our employees belong to all parts of the country and are selected based on individual merit without any discrimination or preference. We encourage the capable employees reaching senior positions and be a part of Company's decision making process. Employee welfare measures on counseling on stress free living, medical and eye checkup, yoga etc. were conducted during the year. We maintain cordial relationship with our employees. We train our employees on upgrading functional and soft skills. In order to ensure healthy working conditions and prevent sexual harassment of women employees, we have constituted Internal Complaint Redressal Committee at various workplaces with a Policy on Prevention of Sexual Harassment at Workplace for Women in force. Employee continuing policies and compliance with regulation have promoted wellbeing of employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

The Company respects the interests of stake holders .The grievances of share/security/deposit holders, borrowers, customers, regulators, government agencies, lenders others ,public and society at large are responded to within stipulated time In such response the interest of such stake holders and the Company are considered. Committee of the Board which meets quarterly overseas this. Our policy is to treat all customers in fair and transparent manner. The loan recovery and collection operation are in-house, which ensures relationship based recovery procedures well-suited to our customers. The Company pays dividend, interest, redemption value and other dues on their respective due dates subject to the requirement of process. The award of credit rating, which indicates high consider these. The Company's CSR programmes are focused on education, skill development for disadvantaged sections of the society.

Principle 5: Businesses should respect and promote human rights

The Company employs without discrimination and pays fair wages to employees. The employees are given equal opportunity to suggest for betterment. The Company has implemented policy on Prevention of Sexual Harassment of women Employees are treated equally with dignity. We comply and adhere to all the human rights laws and guidelines.

BUSINESS RESPONSIBILITY REPORT
ANNEXURE 14 (Contd.)

Principle 6: Business should respect, protect and make efforts to restore the environment

The Company has made many of its processes automated making it less paper based information. We appeal to our shareholders, security holders, NCD/FD holders, borrowers for dealing with us electronically (demat, email, direct credit to bank a/c etc), thereby reducing use of paper . We continue to create awareness about environment protection among employees & customers. The Company adheres to all pollution control measures. We use electronic methods of communication within and outside our offices and avoid use of paper as far as possible.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company is a member of and actively participates in organisations representing NBFC industry, through which different matters of NBFC industry are represented and influenced. Additionally, the Company also represents business interest of NBFC industry to regulatory authorities in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development

We meet the financial need of persons of areas generally in unbanked/less banked areas with many of our branches at semi urban and rural areas. We also mobilise deposits from these areas. These two promote the 'financial inclusion' which is the focus point of all welfare initiatives of the government. Our CSR activities contribute the development and growth of persons in semi urban and rural areas.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Our customers have derived value by being associated with us in availing finance and keeping money deposited with us. When availing fiancés have helped in achieving advancement, progress, growth in their business, the deposits have helped them with reasonable return to carry out their objectives. We engage with our customers to understand their need in order to offer a suitable product to them on timely basis. The redressal of customer grievances within reasonable time helps us to serve our customers in responsible manner. Our other services like insurance, settlement of insurance claims, support for housing loans have helped us to value to our services to customers.

FORM MR-3 (SECRETARIAL AUDIT REPORT)

ANNEXURE 15

FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

THE MEMBERS,

SHRIRAM CITY UNION FINANCE LIMITED

123, ANGAPPA NAICKEN STREET,

CHENNAI -600001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shriram City Union Finance Limited, Corporate Identification Number L65191TN1986PLC012840 ("Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions as amended from time to time of:

1) The Companies Act,2013 (the Act) and the rules made there under;
2) The Securities Contracts(Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3) The Depositories and Participants Regulations, 2018 and Bye-laws framed thereunder;
4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
5) The following Regulations and Guidelines as amended from time to time prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amended from time to time;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   (g) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015
6) Reserve Bank of India Act, 1934
7) Master Non- Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 and circulars of Reserve Bank of India thereon.
8) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

FORM MR-3 (SECRETARIAL AUDIT REPORT)
ANNEXURE 15 (Contd.)

9) Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

10) Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Equity Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

(iii) The Debt Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

I have examined the systems and processes established by the Company to ensure the compliance with general laws including Labour Laws, Employees Provident Funds Act, Employees State Insurance Act & other State Laws, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

For M/s. P.Sriram & Associates

P. Sriram
Proprietor
Certificate of Practice No - 3310
Membership No–F 4862
UDIN: F004862B00033916
Peer Review No. S2011TN155200

Place: Chennai
Date: June 11, 2020

To

THE MEMBERS,

SHRIRAM CITY UNION FINANCE LIMITED

My report of event date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the Company had followed provide are reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. P.Sriram & Associates

P. Sriram
Proprietor
Certificate of Practice No - 3310
Membership No–F 4862
UDIN: F004862B00033916
Peer Review No. S2011TN155200

Place: Chennai
Date: June 11, 2020

TABLE – 1

TABLE OF WEB LINK FOR POLICIES/OTHERS MATTERS APPEARING IN DIRECTORS REPORT OF THE COMPANY

Sl. No.	Name of the Policies	Web Link
1.	Dividend Distribution Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Dividend_Distribution Policy.zip
2.	Related Party Transaction Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/RELATED_PARTY_TRANSACTION_POLICY.zip
3.	Whistle Blower and Vigil Mechanism Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/WHISTLE_BLOWER_AND_VIGIL_MECHANISM_POLICY.zip
4.	Policy on Appointment Remuneration and Diversity of Board	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/POLICY_ON_APPOINTMENT_REMUNERATION_AND_ DIVERSITY_OF_BOARD.zip
5.	Terms and conditions of appointment of Independent Director	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Terms_and_conditions_of_appointment_of_Independent_Directors.zip
6.	Familiarisation Programme for Independent Directors	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Familiarisation_Programme_for_Independent_Directors.zip
7.	Code of Conduct for Board Members and Senior Management	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/CODE_OF_CONDUCT_BOARD_MEMBERS_AND_SENIOR_ MANAGEMENT.zip
8.	Policy on Material Subsidiary (ies) and Events	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/POLICY_ON_MATERIAL_SUBSIDIARY(IES)_AND_EVENTS.zip
9.	Policy on Preservation and Archival of Documents	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/POLICY_ON_PRESERVATION_AND_ARCHIVAL _ OF_DOCUMENTS.zip
10.	Code for Fair Disclosure and Conduct	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/CODE_FOR_FAIR_DISCLOSURE_AND_CONDUCT.zip
11.	Corporate Social Responsibility Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/CORPORATE_SOCIAL_RESPONSIBILITY_(CSR)_POLICY.zip
12.	Extract of Annual Return MGT-9	
13.	Unclaimed Deposits/ Debentures/ Sub Debt	https://www.nseprimeir.com/z_SHRIRAMCIT/files/SCUF_unclaimeddeposits_debentures_and_sub-ordinated_debts_2019-20.zip
14.	Unclaimed/ Unpaid Dividend	https://www.nseprimeir.com/z_SHRIRAMCIT/files/unclaimed/SCUF_Unclaim_Unpaid_2019-20.zip
15.	Standalone and Consolidated Financial Statements	https://www.nseprimeir.com/ir_download/PPN_AnnualReports/SCUF_Annual_Reports_2019-20.zip
16.	Financial Results of the Company	https://www.nseprimeir.com/pages_new/FinResultSummary.aspx?value=7UgP1IltRM3M600MSHCcMw==
17.	Annual Report of the Company	https://www.nseprimeir.com/ir_download/PPN_AnnualReports/SCUF_Annual_Reports_2019-20.zip
18.	Investors Presentation	https://www.nseprimeir.com/z_SHRIRAMCIT/investor_presentation.aspx?value=7UgP1IltRM3M600MSHCcMw==
	Listed Secured redeemable Non-Convertible Debentures (NCDs)	https://www.nseprimeir.com/z_SHRIRAMCIT/files/DETAILS_OF_LISTED_SECURED_REDEEMABLE_NCDs.pdf

A. PROMOTER

Shriram Capital Limited

B. PROMOTER GROUP

1. Shriram Financial Ventures (Chennai) Private Limited 2. Shriram Ownership Trust 3. Shriram Asset Management Company Limited 4. Shriram Life Insurance Company Limited 5. Shriram General Insurance Company Limited 6. Shriram Credit Company Limited 7. Shriram Overseas Investments Private Limited 8. Bharat Investments Pte. Limited Singapore 9. Shriram Fortune Solutions Limited 10. Shriram Wealth Advisors Limited 11. Shriram Insight Share Brokers Limited 12. Shriram Financial Products Solutions (Chennai) Private Limited 13. Shriram Transport Finance Company Limited 14. Insight Commodities and Futures Private Limited 15. Shriram Seva Sankalp Foundation 16. Shrilekha Business Consultancy Private Limited 17. SGI Philippines General Insurance Co Inc 18. Shriram Value Services Limited 19. Novac Technology Solutions Pvt Ltd 20. Novac Digital Services Pvt Ltd 21. Snotter Technology Services Private Limited

C. PERSONS ACTING IN CONCERT (PAC)

The followings are the entities in PAC as defined under Regulation 10 of SEBI SAST Regulations 2011 as amended from time to time

1. Shriram Housing Finance Limited 2. Sanlam Emerging Markets (Mauritius) Ltd 3. Sanlam Life Insurance Limited 4. Shriram Mututal Fund 5. Sri Subramanian Krishnamurthy (Trustee of SMF) 6. Sri V N Sivasankar (Trustee of SMF) 7. Dr. Qudsia Gandhi (Trustee of SMF) and 8. Sri Mani Sridhar (Trustee of SMF).

D. Except Shriram Capital Limited and Shriram Financial Ventures (Chennai) Private Limited none of the entities mentioned above holds shares in Shriram City Union Finance Limited (TC)

E. All the entities mentioned above are PG and PACs for not less than three years except the entities under Sl. No. 18,19,20 and 21 under head B. Promoter Group (PG).

INDEPENDENT AUDITOR'S REPORT

The Members of Shriram City Union Finance Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying standalone financial statements of Shriram City Union Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the statement of Profit and Loss, statement of Changes in Equity and statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matter

Attention is invited to the Note No. 71 to the financial statements:

i. In accordance with the Board approved moratorium policy relating to COVID-19 - Regulatory Package announced by Reserve Bank of India (RBI), the Company has granted moratorium up to three months on the payment of instalments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers and has continued recognition of interest income. In view of the management, this relaxation does not trigger any significant increase in credit risk.

ii. The provision in respect of expected credit losses on loans and advances consequent to COVID 19 pandemic has been made on the basis of estimation of probable defaults and future business estimates. These estimates would be periodically reviewed based on the future business scenario. However, actual results are uncertain and could be different from such estimates.

Our opinion is not modified in respect of the above matters.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment and Write-offs** The Recognition and Measurement of Impairment and Write-off of Loans and Advances involves estimates, management judgements and appropriate processing of information from the IT systems because of which the same has been identified as a key audit matter.	Our key audit procedures included: ● We test checked the computation of the Probable default (PD) which denotes the statistical pattern of occurrence of defaults in individual accounts over a period of five years. ● We also test checked the computation of the ratio of Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. ● We reviewed the changes made by the management in estimating the PD and the LGD on the background of COVID 19 outbreak and additional ECL provisions made on the basis of above revisions. ● We examined the computation of Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. ● We reviewed the Internal financial controls over data extraction and data validation from the ERP system controls over data extraction and data validation from the ERP system for computation of PD and LGD with the participation of our internal IT expert. ● We performed analytical procedures for ascertaining of reasonableness of Impairment provisions. ● We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written off.

5. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, the Report of the Board of Directors and the Report on the Corporate Governance but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the

provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

7. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope

INDEPENDENT AUDITOR'S REPORT (Contd.)

and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1," a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 (16) of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 45 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For G. D. Apte & Co
Chartered Accountants
Firm Registration Number: 100515W
UDIN:20121007AAAAAR3816

Anagha M. Nanivadekar
Partner
Membership Number: 121007
Pune, June 11, 2020

ANNEXURE 1 REFERRED TO IN PARAGRAPH 8 UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2020.

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management and based on our verification, we report that, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

(ii) The Company's business does not involve inventories and accordingly, the requirements under paragraph 3 (ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, and based on the audit procedures conducted by us, we report that the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) Based on the audit procedures conducted by us and according to the information and explanations given to us, we are of the opinion that the provisions of section 185 of the Act have been complied with by the Company and the provisions of section 186 of the Act are not applicable to the Company.

(v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. We were informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under section 148 (1) of the Act.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us and from the records of the company, there were no undisputed statutory dues as at the last day of the financial year which were outstanding for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues outstanding of income-tax, value added tax and service tax dues of the Company which have not been deposited on account of dispute, are as follows:

Name of Statute	Nature of dues	Amount (₹ In Lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax Demands	7,687.17	April 2008 to September 2014	Customs, Excise and Service Tax Appellate Tribunal
Kerala Value Added Tax, 2003	Value Added Tax	4.65	AY 2007-08	Dy. Commissioner (Appeals) Ernakulum, Kerala
Income Tax Act, 1961	Income Tax	864.14	AY 2016-17	Commissioner of Income Tax (Appeals)

ANNEXURE 1 (Contd.)

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. Further, monies raised by the Company by way of debt instruments and term loans were applied for the purpose for which those were raised, though funds which were not required for immediate utilization were invested during intervening period.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that no fraud by the Company or fraud on the Company by the officers, employees and customers of the Company has been noticed or reported during the year except fraud of Rs. 36.50 Lakhs in the nature of misappropriation of funds and availing loans by submitting forged documents by employees and customers against whom the company has initiated legal course of action.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.

(xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, we report that the Company has registered with Reserve Bank of India as required under section 45-IA of the Reserve Bank of India Act, 1934.

For G. D. Apte & Co
Chartered Accountants
Firm Registration Number: 100515W
UDIN:20121007AAAAAR3816

Anagha M. Nanivadekar
Partner
Membership Number: 121007
Pune, June 11, 2020

ANNEXURE-2 REFERRED TO IN PARAGRAPH 8(F) UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT ON EVEN DATE ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act")

We have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

ANNEXURE-2 (Contd.)

detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For G. D. Apte & Co
Chartered Accountants
Firm Registration Number: 100515W
UDIN:20121007AAAAAR3816

Anagha M. Nanivadekar
Partner
Membership Number: 121007
Pune, June 11, 2020

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2020

(₹ in lacs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1 Financial Assets			
Cash and Cash Equivalents	8	2,09,182.78	98,136.94
Bank balance other than above	9	97,053.53	30,281.81
Receivables			
(I) Trade Receivables	10	89.76	-
(II) Other than Trade Receivables		-	-
Loans	11	26,61,252.96	26,98,910.93
Investments	12	73,413.97	86,965.30
Other Financial Assets	13	6,352.82	3,442.49
2 Non-Financial Assets			
Current Tax Assets (net)	38	13,069.56	4,224.50
Deferred Tax Assets (net)	38	5,072.77	4,840.74
Property, Plant and Equipment	14	7,241.02	7,924.47
Intangible Assets	15	193.18	157.36
Right of Use Assets	16	15,487.33	-
Other Non-Financial Assets	17	9,015.32	6,640.55
Total Assets		**30,97,425.00**	**29,41,525.09**
II LIABILITIES AND EQUITY			
1 Financial Liabilities			
Derivative Financial Instruments	18	-	297.39
Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	6,077.83	5,509.89
Debt Securities	20	4,46,827.65	3,68,689.96
Borrowings (other than debt securities)	21	14,44,625.56	15,14,147.34
Deposits	22	4,01,206.80	3,11,940.61
Subordinated Liabilities	23	23,923.91	65,370.95
Other Financial Liabilities	24	47,848.62	32,382.09
2 Non-Financial Liabilities			
Provisions	25	3,926.79	2,527.25
Other Non-Financial Liabilities	26	2,192.27	1,527.16
Total Liabilities		**23,76,629.43**	**23,02,392.64**
3 Equity			
Equity Share Capital	27	6,600.29	6,599.23
Other Equity	28	7,14,195.28	6,32,533.22
Total Equity		**7,20,795.57**	**6,39,132.45**
Total Liabilities and Equity		**30,97,425.00**	**29,41,525.09**

See accompanying notes forming part of the financial statements.

As per our report of even date

For G D Apte & Co
Chartered Accountants
Firm Registration No. 100515W

Anagha M. Nanivadekar
Partner
Membership No. 121007
Pune, June 11, 2020

Place: Chennai
Date: June 11, 2020

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarthi
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
REVENUE FROM OPERATIONS			
(i) Interest income	29	5,69,715.83	5,65,641.77
(ii) Dividend income		171.21	166.76
(iii) Fee and commission income	30	1,369.08	1,147.16
(iv) Net gain on fair value changes	31	238.73	890.40
(v) Net gain on derecognition of financial instruments under amortised cost category		2,241.46	2,224.91
(vi) Bad debts recovery		14,657.28	7,806.53
I Total revenue from operations		**5,88,393.59**	**5,77,877.53**
II Other income	32	335.14	252.25
III Total income (I+II)		**5,88,728.73**	**5,78,129.78**
EXPENSES			
(i) Finance cost	33	2,14,021.03	1,98,619.09
(ii) Fees and commission expenses		13,026.94	15,481.11
(iii) Impairment on financial instruments	34	11,847.86	13,467.86
(iv) Bad Debts Written Off		76,523.26	64,737.84
(v) Employee benefit expenses	35	84,767.10	83,791.07
(vi) Depreciation, amortisation and impairment	36	8,215.79	3,119.55
(vii) Royalty		6,417.14	6,301.61
(viii) Professional Charges		12,095.25	10,477.00
(ix) Other expenses	37	26,314.26	30,102.39
IV Total expenses		**4,53,228.63**	**4,26,097.52**
V Profit/(loss) before exceptional items and tax (III - IV)		1,35,500.10	1,52,032.26
VI Exceptional items		-	-
VII Profit/(loss) before tax (V- VI)		1,35,500.10	1,52,032.26
VIII Tax expense:			
(1) Current tax	38	34,240.38	49,637.03
(2) Income tax of the earlier years	38	1,324.24	-
(3) Deferred tax (credit)	38	(116.52)	3,507.43
IX Profit/(loss) for the period (V-VIII)		**1,00,052.00**	**98,887.80**
X Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(340.60)	(1,404.93)
Gain/(Loss) on Fair valuation of quoted investments in equity shares		(664.10)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		(115.51)	(491.00)
Subtotal (A)		**(889.19)**	**(913.93)**
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		**-**	**-**
Other comprehensive income (A+B)		**(889.19)**	**(913.93)**
XI Total Comprehensive Income for the year (IX+ X)		**99,162.81**	**97,973.87**
XII Earnings per equity share			
Basic (₹)	39	151.60	149.88
Diluted (₹)	39	151.57	149.83

See accompanying notes forming part of the financial statements.

As per our report of even date

For G D Apte & Co
Chartered Accountants
Firm Registration No. 100515W

Anagha M. Nanivadekar
Partner
Membership No. 121007
Pune, June 11, 2020

Place: Chennai
Date: June 11, 2020

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarthi
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	1,35,500.10	1,52,032.26
Adjustments for :		
Depreciation, amortisation and impairment	8,215.79	3,119.55
Loss on sale of fixed assets (net)	33.18	50.62
Bad Debts Written Off	76,523.26	64,737.84
Impairment of financial instruments	11,847.86	13,467.85
Financial Guarantee obligation	(15.65)	(15.60)
Premium on Govt Securities	123.94	123.60
Dividend Income	(171.21)	(166.76)
Interest on Lease Liabilities	1,610.59	-
Net (Gain)/Loss on sale of investments and Fair value changes of Investment/ Derivative	(238.73)	(891.14)
Net (gain)/Loss of derecognition of financial instruments under amortised cost category	(424.37)	(1,306.61)
Operating profit before working capital changes	**2,33,004.76**	**2,31,151.61**
Movements in Working capital:		
(Increase) / decrease in loans and advances	(50,615.69)	(1,98,386.91)
(Increase) / decrease in other non financial assets	(2,370.32)	(2,432.77)
(Increase) / decrease in other financial assets	(2,910.33)	(252.03)
(Increase) / decrease in Bank Deposits	(66,770.79)	(10,124.14)
Increase / (decrease) in other financial liabilities	(681.78)	10,027.44
Increase / (decrease) in other non financial liabilities	665.11	(111.11)
Increase / (decrease) in other Payables	567.94	(1,493.48)
Increase / (decrease) in other Provisions	964.86	(1,318.82)
(Increase) / decrease in receivables	(93.12)	-
(Increase) / decrease in Derivative Financial Instruments	(379.00)	-
(Increase) / decrease in investments - T Bills (SLR Investment)	(8,404.13)	8,048.05
Cash generated from operations	**1,02,977.51**	**35,107.84**
Direct taxes paid (net of refunds)	(44,409.68)	(49,355.67)
Net Cash from/(used in) operating activities (A)	**58,567.83**	**(14,247.83)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(2,465.27)	(3,407.79)
Sale of Investment in Mutual Funds	20,235.50	(19,930.62)
Sale of Investment in Shares	1,252.24	-
Capital advance for assets	(4.45)	(19.40)
Proceeds from sale of fixed assets	44.19	45.57
Dividend Income	171.21	166.76
Net Cash from/(used in) investing activities (B)	**19,233.43**	**(23,145.48)**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	3.44	9.29
Increase/(Decrease) of debt securities	78,137.69	1,38,038.32
Increase/(Decrease) of Borrowings	(69,521.78)	25,991.94
Increase/(Decrease) of Deposits	89,266.19	2,380.74
Increase/(Decrease) of Subordinated liabilities	(41,447.04)	(49,907.06)
Payment of Lease Liabilities	(5,690.52)	-
Dividend paid	(14,518.98)	(11,875.90)
Tax on Dividend	(2,984.42)	(2,441.00)
Net Cash from/(used in) financing activities (C)	**33,244.58**	**1,02,196.33**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,11,045.84	64,803.02
Cash and cash equivalents at the beginning of the year	98,136.94	33,333.92
Cash and cash equivalents at the end of the year	**2,09,182.78**	**98,136.94**

(₹ in lacs)

Components of cash and cash equivalents	As at March 31, 2020	As at March 31 , 2019
Cash on hand	885.21	8,384.79
Balances with Banks		
- in current accounts	28,208.80	48,007.30
- in deposit accounts having original maturity less than three months	1,80,088.77	41,744.85
Total	**2,09,182.78**	**98,136.94**

Notes

1) The above cash- flow statement have been prepared under the indirect method set out in Indian Accounting Standard (IND AS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.

2) Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

3) All figures in brackets indicate cash outflow.

See accompanying notes forming part of the financial statements.

As per our report of even date

For G D Apte & Co
Chartered Accountants
Firm Registration No. 100515W

Anagha M. Nanivadekar
Partner
Membership No. 121007
Pune, June 11, 2020

Place: Chennai
Date: June 11, 2020

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarthi
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

A. EQUITY SHARE CAPITAL

	No. of shares	₹ In lacs
As at April 1, 2018	6,59,65,762	6,596.58
Issued during the year	26,555	2.65
As at March 31, 2019	**6,59,92,317**	**6,599.23**
Issued during the year	10,605	1.06
As at March 31, 2020	**6,60,02,922**	**6,600.29**

B. OTHER EQUITY

Statement of changes in Equity for the year ended March 31, 2020

(₹ in lacs)

Particulars	Reserves and Surplus								Other Comprehensive Income	Total
	Statutory Reserve	Share Options Outstanding	Securities Premium Account	Debenture Redemption Reserve	Capital Redemption Reserve	General Reserve	Capital Reserve	Retained Earnings		
Balance as at April 1, 2018	**88,431.30**	**113.50**	**1,75,425.47**	**4,486.03**	**2,328.98**	**73,341.39**	**7,871.88**	**1,96,689.19**	**181.26**	**5,48,869.00**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	98,887.80	-	98,887.80
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	(1,404.93)	(1,404.93)
Transferred from Retained Earnings	19,980.00	-	-	366.14	-	9,990.00	-	(30,336.14)	-	-
Amount transferred to General Reserve on Redemption of Non convertible debentures	-	-	-	(2,007.88)	-	2,007.88	-	-	-	-
Share Premium received during the year on exercise of ESOPs	-	-	66.77	-	-	-	-	-	-	66.77
Adjustment on Exercise of ESOPs	-	(60.13)	-	-	-	-	-	-	-	(60.13)
Final Equity Dividend FY 2017-18								(7,916.23)		(7,916.23)
Tax on Final Equity Dividend FY 2017-18								(1,627.20)		(1,627.20)
Interim Dividend FY 2018-2019	-	-	-	-	-	-	-	(3,959.06)	-	(3,959.06)
Tax on Interim Dividend FY 2018-19	-	-	-	-	-	-	-	(813.80)	-	(813.80)
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-		491.00	491.00
Balance as at March 31, 2019	**1,08,411.30**	**53.37**	**1,75,492.24**	**2,844.29**	**2,328.98**	**85,339.27**	**7,871.88**	**2,50,924.56**	**(732.67)**	**6,32,533.22**

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lacs)

Particulars	Reserves and Surplus								Other Comprehensive Income	Total
	Statutory Reserve	Share Options Outstanding	Securities Premium Account	Debenture Redemption Reserve	Capital Redemption Reserve	General Reserve	Capital Reserve	Retained Earnings		
Balance as at March 31, 2019	**1,08,411.30**	**53.37**	**1,75,492.24**	**2,844.29**	**2,328.98**	**85,339.27**	**7,871.88**	**2,50,924.56**	**(732.67)**	**6,32,533.22**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	1,00,052.00	-	1,00,052.00
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	(340.60)	(340.60)
Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	(664.10)	(664.10)
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan and Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	115.51	115.51
Transferred from Retained Earnings up to August 16, 2019	-	-	-	2,930.90	-	-	-	(2,930.90)		-
Amount transferred to General Reserve on Redemption of Non convertible Debentures up to August 16, 2019	-	-	-	(2,911.54)	-	2,911.54	-	-	-	-
Amount transferred to General Reserve upon dispensation of requirement of DRR by MCA vide notification dated August 16 ,2019	-	-	-	(2,863.65)	-	2,863.65	-	-	-	-
Share Premium received during the year on exercise of ESOPs	-	-	26.67	-	-	-	-	-	-	26.67
Adjustment on Exercise of ESOPs	-	(24.02)	-	-	-	-	-	-	-	(24.02)
Final Equity Dividend FY 2018-19	-	-	-	-	-	-	-	(10,559.22)	-	(10,559.22)
Tax on Final Equity Dividend FY 2018-19	-	-	-	-	-	-	-	(2,170.48)	-	(2,170.48)
Interim Equity Dividend FY 2019-20	-	-	-	-	-	-	-	(3,959.76)	-	(3,959.76)
Tax on Interim Equity Dividend FY 2019-20	-	-	-	-	-	-	-	(813.94)	-	(813.94)
Transfer to Statutory Reserve	20,020.00	-	-	-	-	-	-	(20,020.00)	-	-
Transfer to General Reserve	-	-	-	-	-	10,010.00		(10,010.00)	-	-
Balance as at March 31, 2020	**1,28,431.30**	**29.35**	**1,75,518.91**	**-**	**2,328.98**	**1,01,124.46**	**7,871.88**	**3,00,512.26**	**(1,621.86)**	**7,14,195.28**

See accompanying notes forming part of the financial statements.

As per our report of even date

For G D Apte & Co
Chartered Accountants
Firm Registration No. 100515W

Anagha M. Nanivadekar
Partner
Membership No. 121007
Pune, June 11, 2020

Place: Chennai
Date: June 11, 2020

For and on behalf of the Board of Directors of
Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarthi
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. CORPORATE INFORMATION

Shriram City Union Finance Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing small and medium enterprises, two-wheelers and pledged jewels. It also provides personal loans and auto loans. The Company is a Deposit Accepting Non- Banking Finance Company (NBFC) registered as a Loan Company with the Reserve Bank of India (RBI) and Ministry of Corporate Affairs. The registration details are as follows:

RBI 07-00458

Corporate Identity Number (CIN)
L65191TN1986PLC012840

Shriram Capital Limited is the promoter of the Company.

The registered office of the Company is at No.123, Angappa Naicken Street, Chennai – 600 001. The principal place of business is at No.144, Santhome High Road, Mylapore, Chennai – 600 004. The financial statements of the Company for the year ended March 31, 2020 were approved for issue in accordance with the resolution of the Board of Directors on June 11, 2020.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable on an accrual basis.

The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting policies have been consistently applied to all periods presented, unless otherwise stated except where a newly – issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach, under which there is no impact as at April 1, 2019 consequent to the transition and the comparative information has not been restated.

Except for the above, the Company has consistently applied accounting policies while preparing these Standalone Financial Statements.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 6 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lacs, except when otherwise indicated.

3. PRESENTATION OF FINANCIAL STATEMENT

The Balance Sheet, Statement of Profit and Loss and Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

4. STATEMENT OF COMPLIANCE

These standalone or separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the other relevant provisions of the Act.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Financial instruments

i. Classification of financial instruments

a. Financial Assets

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost (amortised cost)
2. Financial assets to be measured at fair value through other comprehensive income (FVTOCI)
3. Financial assets to be measured at fair value through profit or loss account (FVTPL)

The classification depends on the contractual terms of the financial assets, cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.
- At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business model/(s) have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss

b. Financial Liabilities

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

ii. Financial assets measured at amortised cost

Financial assets are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

Financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

These financial assets comprise bank balances, Loans, investments and other financial assets.

iii. Financial assets measured at fair value through other comprehensive income

Financial Assets other than equity instruments: These financial assets are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Company does not have any financial instrument other than equity shares measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

iv. Items at fair value through profit or loss

Financial assets which are not classified in any of the above categories are measured at FVTPL.

Items at fair value through profit or loss comprise:

a. Investments (including equity shares) held for trading;

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

b. Items specifically designated as fair value through profit or loss on initial recognition;

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date the Company does not have any financial instruments designated as measured at fair value through profit or loss.

c. Debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date the Company does not have any financial instruments measured at fair value through profit or loss.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial instruments as measured at fair value through profit or loss.

v. Investment in subsidiaries

The Company has accounted for its investments in subsidiary at cost.

vi. Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

vii. Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

viii. Financial guarantees

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

- The premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

ix. Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition apart from the exceptional circumstances in which company changes its business model for managing financial assets . Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities until year ended March 31, 2020.

x. Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date the Company does not have any financial liabilities which have been derecognised.

(xi) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on collective/ individual basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has grouped its loan portfolio into Gold Loan, Auto Loans, MSME Loans, Two Wheelers Loans and Personal Loans.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

As required by RBI Circular reference no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020; where impairment allowance under Ind AS 109 is lower than the provisioning required as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc., the Company shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

Loan commitments:

When estimating expected credit loss for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the company has not recognised any ECL in respect of financial guarantee based on estimate of expected cash flows.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Company does not have any debt instruments measured at fair value through OCI.

The mechanics of ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

The above calculated PDs, EAD and LGDs are reviewed annually and changes in the forward looking estimates are analysed.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(xii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(xiii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 5.1(iii) to 5.1(vi)) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

5.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

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b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Company does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

(v) Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation basis.

5.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the amortised cost of the financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company fully contributes all ascertained liabilities to The Trustees – SCUF Employees Group Gratuity Trust. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

(iii) Lease:

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. After the commencement date, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is also remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest on the lease liability is recognised in the statement of Profit & Loss except to the extent that it can be allocated to any Property, Plant & Equipment.

In the comparative period, leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalised at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

(iv) Other income and expenses

All Other income and expense are recognised in the period they occur.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(vii) Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

5.4 Foreign currency translation

(i) Functional and presentational currency

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

5.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

5.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes (other than those subsequently recoverable from the tax authorities) and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortised on a straight-line basis over the period of lease or

estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years
Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	10 years	10 years
Electronic equipment	10 years	10 years
Office equipment	5 years	5 years
Refrigerator	10 years	10 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

5.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

5.8 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

5.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are reviewed at each Balance Sheet date.

5.10 Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Contingent assets are reviewed at each Balance Sheet date.

5.11 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period and reported amounts of income and expenses for the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

6.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

6.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

6.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

6.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in *Note 5.1(x) Overview of ECL principles*.

6.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

6.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

6.7 Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

7. FIRST TIME ADOPTION OF IND AS 116 "LEASES"

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10%

8. CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	885.21	8,384.79
Balances with banks (of the nature of cash and cash equivalents)		
-Current Account	28,208.80	48,007.30
-Bank deposit with original maturity less than three months	1,80,088.77	41,744.85
Total	**2,09,182.78**	**98,136.94**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company and earn interest at the respective short-term deposit rates. The company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above and also includes deposits March 31, 2020: Nil (March 31, 2019: ₹ 1,723.10 lacs) towards SLR Debentures requirement.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

9. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
Unclaimed dividend accounts	92.88	91.95
Bank deposits with original maturity for more than 3 months*	25,185.45	15,566.38
Balances with banks to the extent held as Margin Money or security against the borrowings, guarantees, other commitments.	71,775.20	14,623.48
Total	**97,053.53**	**30,281.81**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits March 31, 2020: ₹ 20,181.02 lacs (March 31, 2019: ₹ 15,061.16 lacs) towards SLR requirement for Public Deposits Outstanding and includes deposits March 31, 2020: NIL (March 31, 2019: ₹ 500.48 lacs) as margin for foreign currency derivative contract.

10. RECEIVABLES

(I) Trade Receivables

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	93.12	-
Less: Impairment loss allowances	(3.36)	-
Total	**89.76**	**-**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

(₹ in lacs)

Trade receivables days past due		Current	1-30 days past due	Total
ECL rate		**3.60%**	**3.60%**	
March 31, 2020	Estimated total gross carrying amount at default	64.12	29.00	93.12
	ECL - Simplified approach	(2.31)	(1.05)	(3.36)
	Net carrying amount	**61.81**	**27.95**	**89.76**
March 31, 2019	Estimated total gross carrying amount at default	-	-	-
	ECL - Simplified approach	-	-	-
	Net carrying amount	**-**	**-**	**-**

Reconciliation of impairment allowance on trade receivable

(₹ in lacs)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2019	-
Add: Addition during the year	(3.36)
(Less): Reduction during the year	
Impairment allowance as per March 31, 2020	**(3.36)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

11. LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at March 31, 2020					As at March 31, 2019				
	At amortised Cost	At fair value			Total	At amortised Cost	At fair value			Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account			Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	
(A)										
i) Term loans	28,65,652.55	-	-	-	28,65,652.55	28,91,560.11	-	-	-	28,91,560.11
ii) Others	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	**28,65,652.55**	**-**	**-**	**-**	**28,65,652.55**	**28,91,560.11**	**-**	**-**	**-**	**28,91,560.11**
Less: Impairment loss allowance	2,04,399.59	-	-	-	2,04,399.59	1,92,649.18	-	-	-	1,92,649.18
Total (A) - Net	**26,61,252.96**	**-**	**-**	**-**	**26,61,252.96**	**26,98,910.93**	**-**	**-**	**-**	**26,98,910.93**
(B)										
i) Secured by tangible assets	24,36,453.02	-	-	-	24,36,453.02	22,04,272.43	-	-	-	22,04,272.43
ii) Unsecured	4,29,199.53	-	-	-	4,29,199.53	6,87,287.68	-	-	-	6,87,287.68
Total (B) - Gross	**28,65,652.55**	**-**	**-**	**-**	**28,65,652.55**	**28,91,560.11**	**-**	**-**	**-**	**28,91,560.11**
Less : Impairment loss allowance	2,04,399.59	-	-	-	2,04,399.59	1,92,649.18	-	-	-	1,92,649.18
Total (B) - Net	**26,61,252.96**	**-**	**-**	**-**	**26,61,252.96**	**26,98,910.93**	**-**	**-**	**-**	**26,98,910.93**
(C)										
Loans in India										
i) Public Sector	-	-	-	-	-	-	-	-	-	-
ii) Others										
Corporate	1,09,639.30	-	-	-	1,09,639.30	1,37,496.59	-	-	-	1,37,496.59
Retail	27,56,013.25	-	-	-	27,56,013.25	27,54,063.52	-	-	-	27,54,063.52
Total - Gross	**28,65,652.55**	**-**	**-**	**-**	**28,65,652.55**	**28,91,560.11**	**-**	**-**	**-**	**28,91,560.11**
Less: Impairment loss allowance	2,04,399.59	-	-	-	2,04,399.59	1,92,649.18	-	-	-	1,92,649.18
Total - Net	**26,61,252.96**	**-**	**-**	**-**	**26,61,252.96**	**26,98,910.93**	**-**	**-**	**-**	**26,98,910.93**
Loans outside India	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-
Total - Net	-	-	-	-	-	-	-	-	-	-
Total (C)	**26,61,252.96**	**-**	**-**	**-**	**26,61,252.96**	**26,98,910.93**	**-**	**-**	**-**	**26,98,910.93**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

11. LOANS AND ADVANCES (Contd.)

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 49.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 49.2.

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade								
Performing								
High grade	21,30,932.70	-	-	21,30,932.70	20,59,886.65	-	-	20,59,886.65
Standard grade	3,40,429.28	-	-	3,40,429.28	1,15,412.71	-	-	1,15,412.71
Sub-standard grade	-	1,36,241.26	-	1,36,241.26	-	3,82,974.59	-	3,82,974.59
Past due but not impaired	-	31,755.58	-	31,755.58	-	75,617.25	-	75,617.25
Non- performing	-		2,26,293.73	2,26,293.73	-	-	2,57,668.91	2,57,668.91
Total	**24,71,361.98**	**1,67,996.84**	**2,26,293.73**	**28,65,652.55**	**21,75,299.36**	**4,58,591.84**	**2,57,668.91**	**28,91,560.11**

An analysis of changes in the gross carrying amount, as follows:

(₹ in lacs)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	21,75,299.36	4,58,591.84	2,57,668.91	28,91,560.11	23,21,336.46	1,77,189.34	2,59,385.24	27,57,911.04
New assets originated or purchased	22,01,678.34	46,984.19	22,501.62	22,71,164.15	23,01,011.28	84,116.03	22,012.80	24,07,140.11
Assets derecognised or repaid (excluding write offs)	(18,77,060.54)	(2,49,649.63)	(93,838.28)	(22,20,548.45)	(18,56,863.14)	(2,70,656.73)	(81,298.63)	(22,08,818.49)
Transfers to Stage 1	1,59,130.15	(1,55,330.42)	(3,799.73)	-	39,171.66	(21,760.63)	(17,411.03)	-
Transfers to Stage 2	(1,20,582.98)	1,24,790.35	(4,207.37)	-	(5,28,808.68)	5,31,283.35	(2,474.67)	-
Transfers to Stage 3	(65,703.46)	(51,246.35)	1,16,949.80	-	(96,037.17)	(38,047.92)	1,34,085.09	-
Amounts written off	(1,398.89)	(6,143.14)	(68,981.24)	(76,523.26)	(4,511.06)	(3,531.60)	(56,629.89)	(64,672.55)
Gross carrying amount closing balance	**24,71,361.98**	**1,67,996.84**	**2,26,293.73**	**28,65,652.55**	**21,75,299.36**	**4,58,591.84**	**2,57,668.91**	**28,91,560.11**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

11. LOANS AND ADVANCES (Contd.)

Reconciliation of ECL balance is given below:

(₹ in lacs)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	58,916.21	21,358.29	1,12,374.68	1,92,649.18	49,509.40	7,331.25	1,22,340.68	1,79,181.32
New assets originated or purchased	49,659.61	2,300.18	6,059.59	58,019.38	42,680.60	5,263.21	7,920.79	55,864.60
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	10,238.61	(8,491.18)	(1,747.43)	-	9,940.48	(1,306.77)	(8,633.71)	-
Transfers to Stage 2	(3,403.65)	5,261.92	(1,858.27)	-	(11,464.63)	12,655.37	(1,190.74)	-
Transfers to Stage 3	(2,038.49)	(2,959.43)	4,997.92	-	(2,384.32)	(2,202.19)	4,586.51	-
Impact on year end ECL of exposures transferred between stages during the year	(28,292.86)	(282.75)	58,829.89	30,254.29	(24,854.27)	3,149.02	43,981.06	22,275.81
Amounts written off	(1,398.89)	(6,143.14)	(68,981.24)	(76,523.26)	(4,511.06)	(3,531.60)	(56,629.89)	(64,672.55)
ECL allowance - closing balance	**83,680.54**	**11,043.90**	**1,09,675.14**	**2,04,399.59**	**58,916.21**	**21,358.29**	**1,12,374.68**	**1,92,649.18**

Out of loan balances written off during the year ₹ 76,523.26 Lacs (March 31, 2019 ₹ 64,672.55 Lacs), ₹ 66,310.43 Lacs and ₹ 51,854.95 Lacs respectively are subject to enforcement activity by the company.

12. INVESTMENTS

(₹ in lacs)

Particulars	Amortised Cost	At Fair value			Sub-total (At Fair Value)	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at Fair value through profit and loss account			
As at March 31, 2020							
i) Mutual funds	-	-	302.08	-	302.08	-	302.08
ii) Government securities	21,018.89		-	-	-	-	21,018.89
iii) Equity instruments	-	8,917.14	-	-	8,917.14	-	8,917.14
iv) Subsidiary	-	-	-	-	-	16,544.00	16,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	-	183.91	183.91
vi) Treasury Bills	26,447.95	-	-	-	-	-	26,447.95
Total Gross (A)	**47,466.84**	**8,917.14**	**302.08**	**-**	**9,219.22**	**16,727.91**	**73,413.97**
(i) Investments outside India	-	8,917.14		-	8,917.14	-	8,917.14
(ii) Investments in India	47,466.84	-	302.08	-	302.08	16,727.91	64,496.83
Total Gross (B)	**47,466.84**	**8,917.14**	**302.08**	**-**	**9,219.22**	**16,727.91**	**73,413.97**
Less : Allowance for impairment loss (C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total - Net D = (A) - (C)	**47,466.84**	**8,917.14**	**302.08**	**-**	**9,219.22**	**16,727.91**	**73,413.97**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

12. INVESTMENTS (Contd.)

(₹ in lacs)

Particulars	Amortised Cost	At Fair value			Sub-total (At Fair Value)	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at Fair value through profit and loss account			
As at March 31, 2019							
i) Mutual funds	-	-	20,366.72	-	20,366.72	-	20,366.72
ii) Government securities	21,142.83	-	-	-	-	-	21,142.83
iii) Equity instruments	-	-	10,684.01	-	10,684.01	-	10,684.01
iv) Subsidiary	-	-	-	-	-	16,544.00	16,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	-	183.91	183.91
vi) Treasury Bills	18,043.83	-	-	-	-	-	18,043.83
Total Gross (A)	**39,186.66**	**-**	**31,050.73**	**-**	**31,050.73**	**16,727.91**	**86,965.30**
(i) Investments outside India	-	-	10,603.97	-	10,603.97	-	10,603.97
(ii) Investments in India	39,186.66	-	20,446.76	-	20,446.76	16,727.91	76,361.33
Total Gross (B)	**39,186.66**	**-**	**31,050.73**	**-**	**31,050.73**	**16,727.91**	**86,965.30**
Less : Allowance for impairment loss (C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total - Net D = (A) - (C)	**39,186.66**	**-**	**31,050.73**	**-**	**31,050.73**	**16,727.91**	**86,965.30**

More information regarding the valuation methodologies can be found in Note 48.7

The company received dividends of ₹ 171.21 lacs (March 31, 2019: ₹ 166.76 lacs) from its FVTOCI securities (March 31, 2019: FVTPL), recorded as dividend income.

The company has on June 30, 2019, reclassified its investments in Quoted Equity instruments held in Ceylinco Insurance PLC (carrying value as at the date of the transfer ₹ 10,603.97 lacs) from FVTPL to FVTOCI. The reclassification to FVTOCI is irrevocable and was necessitated since the company revised its business model on that date to hold these investments as a long term investment unlike the earlier business model of its disposal in near future. Accordingly, the fair value loss of ₹ 1,022.73 lacs till June 30, 2019 has been recorded through profit and loss and fair value loss of ₹ 664.10 lacs thereafter has been recorded through the other comprehensive income.

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances . Details of the Company's internal grading system are explained in note 49.2.

(₹ in lacs)

Internal Grade Rating	As at March 31, 2020				As at March 31, 2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Performing								
High grade	73,413.97	-	-	73,413.97	86,965.30	-	-	86,965.30
Standard grade	-	-	-	-	-	-	-	-
Non-performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	**73,413.97**	**-**	**-**	**73,413.97**	**86,965.30**	**-**	**-**	**86,965.30**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

12. INVESTMENTS (Contd.)

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	86,965.30	-	-	86,965.30	74,018.54	-	-	74,018.54
New assets originated or purchased	7,58,904.13	-	-	7,58,904.13	1,07,850.01	-	-	1,07,850.01
Assets derecognised or matured (excluding write-offs)	(7,70,633.98)	-	-	(7,70,633.98)	(95,941.28)	-	-	(95,941.28)
Amortisation of G-sec Premium	(123.94)	-	-	(123.94)	(123.60)	-	-	(123.60)
Change in fair value								
OCI	(664.10)			(664.10)	-	-	-	-
Profit & Loss	(1,033.44)	-	-	(1,033.44)	1,161.63	-	-	1,161.63
Closing balance	**73,413.97**	**-**	**-**	**73,413.97**	**86,965.30**	**-**	**-**	**86,965.30**

Reconciliation of ECL balance is given below:

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	-	-	-	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Unwind of discount (recognised in interest income)	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Closing balance in ECL	-	-	-	-	-	-	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

13. OTHER FINANCIAL ASSETS

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	2,249.73	2,135.88
Assignment receivable	1,730.97	1,306.61
Less: ECL on Assignment Receivable	(62.32)	-
Other receivables	2,434.44	-
Total	**6,352.82**	**3,442.49**

Reconciliation of impairment allowance on Assignment receivable

(₹ in lacs)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2019	-
Add: Addition during the year	62.32
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2020	**62.32**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

14. PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

Particulars	Land-Freehold	Building	Office equipment	Electrical Installation	Computer Equipment	Furniture & Fixtures	Vehicles	Leasehold Improvement	Total
Cost:									
As at April 01, 2018	**2.31**	**12.94**	**3,072.54**	**2,837.03**	**6,933.52**	**2,362.35**	**57.27**	**11,273.37**	**26,551.33**
Additions	-	-	314.93	571.29	877.74	227.98	0.44	1,257.88	3,250.26
Disposals	-	-	156.63	102.36	551.31	13.42	0.36	66.59	890.67
As at March 31, 2019	**2.31**	**12.94**	**3,230.84**	**3,305.96**	**7,259.95**	**2,576.91**	**57.35**	**12,464.66**	**28,910.92**
Additions	-	-	58.94	385.73	594.37	197.75	13.45	1,044.20	2,294.44
Disposals	-	-	65.20	98.43	351.92	18.86	0.54	89.27	624.22
As at March 31, 2020	**2.31**	**12.94**	**3,224.58**	**3,593.26**	**7,502.40**	**2,755.80**	**70.26**	**13,419.59**	**30,581.14**
Accumulated depreciation and impairment:									
As at April 01, 2018	**-**	**3.68**	**2,459.09**	**1,121.58**	**5,065.35**	**1,260.88**	**19.75**	**9,043.30**	**18,973.63**
Disposals	-	-	140.34	59.15	523.65	12.35	0.34	58.65	794.48
Depreciation charge for the year	-	0.17	237.14	285.94	890.97	189.04	5.97	1,198.07	2,807.30
As at March 31, 2019	**-**	**3.85**	**2,555.89**	**1,348.37**	**5,432.67**	**1,437.57**	**25.38**	**10,182.72**	**20,986.45**
Disposals	-	-	57.23	66.83	333.80	17.24	0.36	71.39	546.85
Depreciation charge for the year	-	0.17	206.71	320.31	955.75	197.27	5.91	1,214.40	2,900.52
As at March 31, 2020	**-**	**4.02**	**2,705.37**	**1,601.85**	**6,054.62**	**1,617.60**	**30.93**	**11,325.73**	**23,340.12**
Net carrying amount as at March 31, 2019	**2.31**	**9.09**	**674.95**	**1,957.59**	**1,827.28**	**1,139.34**	**31.97**	**2,281.94**	**7,924.47**
Net carrying amount as at March 31, 2020	**2.31**	**8.92**	**519.21**	**1,991.41**	**1,447.78**	**1,138.20**	**39.33**	**2,093.86**	**7,241.02**

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2020 is ₹ 2.31 lacs (March 31 2019: ₹ 2.31 lacs).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

15. OTHER INTANGIBLE ASSETS

(₹ in lacs)

Particulars	Computer Software
Cost:	
As at April 01, 2018	**3,728.89**
Additions	157.53
Disposals	-
As at March 31, 2019	**3,886.42**
Additions	170.83
Disposals	-
As at March 31, 2020	**4,057.25**
Accumulated amortisation and impairment:	
As at April 01, 2018	**3,416.81**
Disposals	-
Depreciation charge for the year	312.25
As at March 31, 2019	**3,729.06**
Disposals	-
Depreciation charge for the year	135.01
As at March 31, 2020	**3,864.07**
Net carrying amount as at March 31, 2019	**157.36**
Net carrying amount as at March 31, 2020	**193.18**

16. RIGHT OF USE ASSETS

(₹ in lacs)

Sr No.	Class of Underlying Asset	Opening Balance of Right-of-Use assets (Balance as on 01.04.2019)	Recognised on transition as on 01.04.2019 of IND As 116 - Leases	Additions to Right-of-Use Assets, made during the year	Reduction in Right-of-Use Assets due to termination of Lease agreement	Amortisation for the year	Amount of Right-Of-Use Asset as on March 31, 2020
1	Buildings	-	15,630.81	5,656.31	619.53	5,180.26	15,487.33

17. OTHER NON-FINANCIAL ASSETS

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Public issue expenses for non-convertible debentures to the extent not written off or adjusted	-	409.79
Deferred lease rental	-	580.57
Goods and Service tax credit (input) receivable	6,055.83	3,361.22
Advances recoverable in cash	1,156.07	966.26
Statutory duties paid under protest	766.66	608.61
Capital advances	71.09	66.64
Prepaid expenses	965.67	647.46
Total	**9,015.32**	**6,640.55**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

18. DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(₹ in lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Liabilities
(i) Currency derivatives:				
-Spots and forwards	-	-	7,098.00	297.39
-Currency futures	-	-	-	-
-Currency swaps	-	-	-	-
Sub total (i)	**-**	**-**	**7,098.00**	**297.39**
(ii) Interest rate derivatives:				
-Forward rate agreements and interest rate swaps	-	-	-	-
-Futures	-	-	-	-
Sub total (ii)	**-**	**-**	**-**	**-**
(iii) Credit derivatives:	-	-	-	-
(iv) Equity linked derivatives:	-	-	-	-
(v) Other derivatives:	-	-	-	-
Total derivative financial instruments (i+ii+iii+iv+v)	**-**	**-**	**7,098.00**	**297.39**

Consequent to the repayment of loan during the year the forward contract is closed.

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 49.

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments.

Derivatives not designated as hedging instruments

The Company uses interest rate swaps to manage its interest rate risk arising from INR denominated borrowings and foreign exchange forward contracts to manage its foreign currency risk arising from borrowings in foreign currencies. The interest rate swaps a hedging relationship and are entered into for periods consistent with exposure of the underlying transactions, generally from 6 to 36 months.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

18. DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Details of the derivative instruments are given below:

(₹ in lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Liabilities
Interest rate risk:				
-Interest rate swaps	-	-	-	-
-Futures	-	-	-	-
Foreign currency risk:	**-**	**-**	**-**	**-**
-Currency futures				
-Currency swaps	-	-	-	-
-Forward contracts	-	-	7,098.00	297.39
Total	**-**	**-**	**7,098.00**	**297.39**

19. OTHER PAYABLES

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,077.83	5,509.89
Total	**6,077.83**	**5,509.89**

20. DEBT SECURITIES

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Redeemable Non-Convertible Debentures (Secured)								
Public issue	84,955.43	-	-	84,955.43	11,377.18	-	-	11,377.18
Privately placed	3,61,872.22	-	-	3,61,872.22	3,57,312.78	-	-	3,57,312.78
Total	**4,46,827.65**	**-**	**-**	**4,46,827.65**	**3,68,689.96**	**-**	**-**	**3,68,689.96**
Debt securities in India	4,46,827.65	-	-	4,46,827.65	3,68,689.96	-	-	3,68,689.96
Debt securities outside India	-	-	-		-	-	-	
Total	**4,46,827.65**	**-**	**-**	**4,46,827.65**	**3,68,689.96**	**-**	**-**	**3,68,689.96**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

20. DEBT SECURITIES (Contd.)

A. Public Issue of Redeemable Non-Convertible Debentures (NCDs) Secured of ₹ 1,000/- each - Quoted

(i) Issued in 2014

(₹ in lacs)

Option Detail	Rate of Interest	As at March 31, 2020	As at March 31, 2019	Redemption Date
Series III	10.85%	-	3,328.38	03-May-19
	11.75%	-	5,574.68	03-May-19
Series VI	10.85%	-	851.44	03-May-19
	11.75%	-	1,622.68	03-May-19
Total		**-**	**11,377.18**	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified assets such as book debts / loan receivables in favour of the Trustees appointed.

The Company had utilised the entire sum of ₹ 19,905.82 lacs raised from public issue (net off expenses) towards financing activities as per the objects stated in the prospectus for the issue.

(ii) Issued in 2019

(₹ in lacs)

Tranche I Series	Rate of Interest	As at March 31, 2020	As at March 31, 2019	Redemption Date
Series I	9.55%	41,656.21	-	30-Apr-21
Series II	9.54%	2,650.23	-	30-Apr-21
Series III	9.65%	6,910.72	-	30-Apr-22
Series IV	9.26%	3,986.74	-	30-Apr-22
Series V	9.64%	2,615.41	-	30-Apr-22
Series VI	9.75%	7,020.61	-	30-Apr-24
Series VII	9.35%	3,407.24	-	30-Apr-24
Series VIII	9.75%	2,216.93	-	30-Apr-24
		70,464.09	**-**	

(₹ in lacs)

Tranche II Series	Rate of Interest	As at March 31, 2020	As at March 31, 2019	Redemption Date
Series I	9.55%	3,069.75	-	25-Sep-21
Series II	9.55%	558.28	-	25-Sep-21
Series III	9.70%	1,636.06	-	25-Sep-22
Series IV	9.30%	1,305.02	-	25-Sep-22
Series V	9.71%	850.15	-	25-Sep-22
Series VI	9.85%	5,401.17	-	25-Sep-24
Series VII	9.45%	1,088.07	-	25-Sep-24
Series VIII	9.88%	582.84	-	25-Sep-24
		14,491.34	**-**	
Grand Total - Tranche I and II		**84,955.43**		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

20. DEBT SECURITIES (Contd.)

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the company's specifically identified assets such as book debts / loan receivables in favour of the Trustees appointed.

The Company has utilised the entire sum of ₹ 78,200.81 lacs raised from public issue (net off expenses) towards financing activities as per the objects stated in the prospectus for the issue, and will have the flexibility in deploying the net proceeds and pending utilization, if any, in temporarily investment in mutual funds, deposits with banks/institutions.

Secured redeemable non- convertible debentures may be bought back subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Company.

B. Redeemable Non-Convertible Debentures - Secured

(i) Privately Placed Redeemable Non-Convertible Debenture -Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 1,000,000/- each - Quoted and for two INEs - INE722A07AG5 and INE722A07AH3, the face value is ₹ 1,00,000/- each**

(₹ in lacs)

Rate of Interest	As at March 31, 2020	As at March 31, 2019	Redemption Date
8.33%	-	40,074.32	23-Jul-19
9.31%	-	10,469.76	27-Sep-19
8.25%	-	10,394.15	07-Oct-19
9.70%	-	26,704.62	18-Dec-19
9.72%	-	26,700.47	18-Mar-20
8.20%	14,645.08	13,614.06	16-Apr-20
8.15%	43,630.87	40,531.49	27-May-20
9.30%	5,366.91	5,364.13	17-Jun-20
9.30%	5,358.07	5,359.38	22-Jun-20
8.15%	623.85	579.26	30-Jun-20
7.97%	24,174.40	22,444.49	06-Oct-20
7.97%	31,002.56	30,974.81	27-Oct-20
9.40%	23,734.92	23,730.23	30-Dec-20
10.75% *	100.68	200.25	04-Feb-21
9.80%	63,017.54	62,942.76	21-Sep-21
9.70%**	54,173.67	-	05-Mar-22
9.90%	9,390.72	8,488.71	04-Apr-22
9.90%	10,013.85	9,032.10	29-Sep-22
8.09%	8,201.41	8,197.49	05-Dec-22
9.25%	49,515.13	-	28-Feb-23
9.25%**	2,460.66	-	05-Mar-23
8.90%	11,511.94	11,510.30	27-Mar-23
9.25%	4,949.96	-	28-May-24
Total	**3,61,872.22**	**3,57,312.78**	

* Repaid in installments.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

20. DEBT SECURITIES (Contd.)

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 12 months to 122 months from the date of allotment depending on the terms of the agreement.

Out of the above, the following INE722A07AE0, INE722A07AF7 and INE722A07AG5 totalling to ₹ 56,925.75 lacs (March 31, 2019 :Nil) having put option facility, as may be subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Company.

21. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Secured								
Term Loan								
from bank in foreign currency	-	-	-	-	7,103.45	-	-	7,103.45
from bank in INR	7,89,133.69	-	-	7,89,133.69	9,39,640.88	-	-	9,39,640.88
from financial institution/ NBFC in INR	64,040.47	-	-	64,040.47	30,593.05	-	-	30,593.05
from bank in INR-Securitisation	58,553.69	-	-	58,553.69	-	-	-	-
from financial institution/ NBFC in INR-Securitisation	3,19,206.50	-	-	3,19,206.50	1,14,327.54	-	-	1,14,327.54
Loans repayable on demand				-				-
Cash credit / Overdraft facilities from banks	48,037.90	-	-	48,037.90	1,58,186.86	-	-	1,58,186.86
Working Capital demand loan from banks	1,54,488.98	-	-	1,54,488.98	76,685.16	-	-	76,685.16
Unsecured								
Term Loan from Banks - INR	-	-	-	-	9,026.93	-	-	9,026.93
Commercial Papers	11,164.33	-	-	11,164.33	1,78,583.47	-	-	1,78,583.47
Total	**14,44,625.56**	**-**	**-**	**14,44,625.56**	**15,14,147.34**	**-**	**-**	**15,14,147.34**
Borrowings in India	14,44,625.56	-	-	14,44,625.56	15,07,043.89	-	-	15,07,043.89
Borrowings outside India	-	-	-	-	7,103.45	-	-	7,103.45
Total	**14,44,625.56**	**-**	**-**	**14,44,625.56**	**15,14,147.34**	**-**	**-**	**15,14,147.34**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

21. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term Loan from Bank in foreign currency-Secured

Outstanding as at March 31, 2020 : ₹ Nil

Terms of Repayment as at March 31, 2019

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	9.85%	Bullet Repayment	7,103.45

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Bank in Indian currency-Secured

Terms of Repayment as at March 31, 2020

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	8.80%-10.85%	2 to 12 installments of quarterly, Half yearly and annual frequency	1,59,251.37
12-24 Months	8.55%-10.85%	3 to 24 installments of monthly, quarterly, Half yearly frequency	2,88,843.96
24-36 Months	9.55%-10.60%	4 to 36 installments of monthly,quarterly frequency	1,84,151.96
36-48 Months	9.20%-10.75%	11 to 19 installments of quarterly frequency	1,56,886.41
Total			**7,89,133.69**

Terms of Repayment as at March 31, 2019

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
12 to 24 Months	9.20%	Bullet Repayment	21,010.47
24 to 36 Months	8.40% to 9.56%	1 to 36 installments of bullet, quarterly and half yearly frequency	18,214.93
36 to 48 Months	8.35% to 10.25%	1 to 48 installments of bullet, quarterly and half yearly frequency	7,45,475.25
48 to 60 Months	8.60% to 10.75%	1 to 60 installments of quarterly, half yearly and yearly frequency	1,54,940.24
Total			**9,39,640.88**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

21. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Financial Institutions/ NBFC-Secured

Terms of Repayment as at March 31, 2020

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
24 to 36 Months	8.65% to 10.00%	Quarterly Repayment	20,922.83
48 to 60 Months	10.50%	Half Yearly Repayment	43,117.64
Total			**64,040.47**

Terms of Repayment as at March 31, 2019

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	8.35%	Bullet Repayment at the end of 1 year	10,685.61
48 to 60 Months	9.15%	1 to 20 installments of quarterly frequency	19,907.44
Total			**30,593.05**

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term loan from banks - INR -Securitisation

As at March 31, 2020

Terms of repayment

(₹ in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
Above 60 Months	9.10% to 10.00%	1 to 67 installments of monthly frequency	58,553.69
			58,553.69

Outstanding as at March 31, 2019 : ₹ Nil

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

21. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term loan from Financial Institutions/ NBFC - INR -Securitisation

Terms of Repayment as at March 31, 2020

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Amount
12-24 Months	7.05% to 10.65%	1 to 21 installments of monthly frequency	28,631.34
24-36 Months	8.50% to 10.55%	1 to 29 installments of monthly frequency	1,36,482.01
36-48 Months	10.25%	1 to 46 installments of monthly frequency	9,744.04
48-60 Months	10.25% to 10.30%	1 to 60 installments of monthly frequency	66,043.16
Above 60 Months	9.00% to 10.25%	1 to 65 installments of monthly frequency	78,305.94
Total			**3,19,206.50**

Terms of Repayment as at March 31, 2019

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Amount
24 to 36 Months	7.05%	1 to 33 installments of monthly frequency	3,076.70
Above 60 Months	10.25% to 10.30%	1 to 72 installments of monthly frequency	1,11,250.84
Total			**1,14,327.54**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Loans repayable on demand-Secured

Cash Credit from Banks

(₹ in lacs)

Particulars	Rate of Interest	As at March 31, 2020	As at March 31, 2019
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.60% to 11.80%	48,037.90	1,58,186.86
Total		**48,037.90**	**1,58,186.86**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

21. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Working capital Demand loan from Banks

(₹ in lacs)

Particulars	Rate of Interest	As at March 31, 2020	As at March 31, 2019
Secured with exclusive charge by way of hypothecation of specific assets under financing.	8.00% to 11.05%	1,54,488.98	76,685.16
Total		**1,54,488.98**	**76,685.16**

Term Loan from Bank in Indian currency-Unsecured

Outstanding as at March 31, 2020 : ₹ Nil

Terms of Repayment as at March 31, 2019

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	9.10%	Bullet Repayment	9,026.93

Commercial Papers-Unsecured

(₹ in lacs)

Rate of Interest	Tenor (from the date of Balance Sheet date)	Repayment Details	As at March 31, 2020	As at March 31, 2019
7.40% to 9.45%	Upto 12 Months	Bullet Repayment	11,164.33	1,78,583.47
Total			**11,164.33**	**1,78,583.47**

22. DEPOSITS

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Deposits								
Public deposits	4,01,206.80	-	-	4,01,206.80	3,11,940.61	-	-	3,11,940.61
Total	**4,01,206.80**	**-**	**-**	**4,01,206.80**	**3,11,940.61**	**-**	**-**	**3,11,940.61**

Deposits issued to director : Nil (March 31, 2019: Nil)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

22. DEPOSITS (Contd.)

Details of Public Deposits - Unsecured

Terms of Repayment as at March 31, 2020

(₹ in lacs)

Redeemable at par	Rate of interest			
(from the date of Balance Sheet Date)	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	Total
Upto 12 months	73,326.28	48,075.09	82.00	1,21,483.37
12-24 months	12,598.21	88,697.07	-	1,01,295.28
24-36 months	9,590.74	1,10,306.60	-	1,19,897.34
36-48 months	1,014.82	18,843.11	-	19,857.93
48-60 months	-	38,672.87	-	38,672.87
Total	**96,530.05**	**3,04,594.75**	**82.00**	**4,01,206.80**

Terms of Repayment as at March 31, 2019

(₹ in lacs)

Redeemable at par	Rate of interest			
(from the date of Balance Sheet Date)	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	Total
Upto 12 months	55,835.95	46,146.78	11,458.83	1,13,441.56
12-24 months	53,197.69	25,763.80	81.68	79,043.17
24-36 months	10,647.91	72,068.85	-	82,716.76
36-48 months	9,462.13	10,811.22	-	20,273.35
48-60 months	958.87	15,506.90	-	16,465.77
Total	**1,30,102.55**	**1,70,297.55**	**11,540.51**	**3,11,940.61**

23. SUBORDINATED LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Subordinated Debts (Unsecured)	23,923.91	-	-	23,923.91	65,370.95	-	-	65,370.95
Total	**23,923.91**	**-**	**-**	**23,923.91**	**65,370.95**	**-**	**-**	**65,370.95**
Subordinate liabilities in India	23,923.91	-	-	23,923.91	65,370.95	-	-	65,370.95
Subordinate liabilities outside India	-	-	-	-	-	-	-	-
Total	**23,923.91**	**-**	**-**	**23,923.91**	**65,370.95**	**-**	**-**	**65,370.95**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

23. SUBORDINATED LIABILITIES (Contd.)

Terms of repayment as at March 31, 2020

(i) Privately Placed Subordinated Debts of ₹ 1,000/- Each - Unquoted

(₹ in lacs)

Redeemable at par	Rate of interest	
(from the date of Balance Sheet Date)	>= 10% < 12%	Total
Upto 12 months*	23,923.91	23,923.91
Total	**23,923.91**	**23,923.91**

* Includes ₹ 4.70 lacs issued to related parties

Terms of repayment as at March 31, 2019

(i) Privately Placed Subordinated Debts of ₹ 1,000/- Each - Unquoted

(₹ in lacs)

Redeemable at par	Rate of interest	
(from the date of Balance Sheet Date)	>= 10% < 12%	Total
Upto 12 months*	35,925.82	35,925.82
12-24 months*	21,759.25	21,759.25
Total	**57,685.07**	**57,685.07**

* Includes ₹ 226.43 lacs issued to related parties

(ii) Privately Placed Subordinated Debts of ₹ 1,000,000/ each - Quoted

(₹ in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
Upto 12 months*	7,685.88	7,685.88
Total	**7,685.88**	**7,685.88**

24. OTHER FINANCIAL LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Investor education and protection fund shall be credited by the following amounts (as and when due) #		
- Unpaid dividend	92.88	91.95
- Unclaimed matured deposits and interest thereon	10,983.54	11,582.21
- Unclaimed matured debentures and interest thereon	756.21	943.77
- Unclaimed matured subordinate debts and interest accrued thereon	5,486.68	4,329.92
Application money received for allotment of securities to the extent refundable and interest accrued thereon	-	0.27
Payable on account of Assignment	6,992.62	4,902.75
Royalty payable	1,554.29	1,552.50
Financial guarantee obligation	117.13	132.78
Creditors for Supply & Services	185.23	1,177.01
Employee related payables	5,702.66	7,668.93
Lease Liability	15,977.38	-
Total	**47,848.62**	**32,382.09**

\# There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

24. OTHER FINANCIAL LIABILITIES (Contd.)

Financial Guarantee Obligation

Credit quality of exposure

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial guarantee obligation	2,500.00	2,500.00
Total	**2,500.00**	**2,500.00**

An analysis of changes in the gross carrying amount in relation to financial guarantee exposure is, as follows:

Gross exposure reconciliation

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance of outstanding exposure	2,500.00	2,500.00
Additions	-	-
Deletions	-	-
Closing Balance of outstanding exposure	**2,500.00**	**2,500.00**

No ECL has been provided for financial guarantee obligation based on past history.

Lease Liability

(₹ in lacs)

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on 01.04.2019)	Recognised on transition as on 01.04.2019 of IND As 116 - Leases	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the period	Payment of lease Liabilities during the year	Amount of Lease Liabilities as on March 31, 2020
Buildings	-	15,467.61	5,215.62	625.93	1610.59	5690.52	15,977.38

The table below provides details regarding the contractual maturities of lease liabilities as on March 31, 2020

(₹ in lacs)

Particulars	Undiscounted Basis	Discounted Basis
Not later than one year	5,525.59	4,138.94
Later than one year but not later than five years	11,851.56	9,417.04
Later than 5 years	2,841.87	2,421.40
Total	**20,219.02**	**15,977.38**

Disclosure on Lease Liability

Qualitative Disclosures - Lease Liability:

The leased building premises are used to carry out business operations and related support activities. The future cash outflows on lease payments are fixed in nature, subject to escalations. The lease agreements tenor extensions and termination conditions are subject to respective lease agreements. No restrictions or covenants are imposed by lease agreements.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

25. PROVISIONS

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Employee benefit		
- Gratuity	1,133.36	134.14
- Provision for compensated absences	2,761.66	2,393.11
For Others		
- Undrawn loan commitment	31.77	-
Total	**3,926.79**	**2,527.25**

Loan Commitment

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 49.2 along policies on whether ECL allowances are calculated on an individual or collective basis.

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
	Stage 1 Collective	Stage 1 Collective
Internal Rating Grade		
Performing		
High Grade	691.57	-
Total	**691.57**	**-**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Stage 1	Stage 1
Opening balance of outstanding exposure	-	-
New exposures	691.57	-
Exposures derecognised or matured/repaid (excluding write offs)	-	-
Closing balance of outstanding exposure	**691.57**	**-**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

25. PROVISIONS (Contd.)

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Stage 1	Stage 1
ECL allowance - opening balance	-	-
New exposures	31.77	-
Exposures derecognised or matured/repaid (excluding write offs)	-	-
ECL allowance - closing balance	**31.77**	**-**

26. OTHER NON-FINANCIAL LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues payable	2,155.19	1,455.02
Retention money and other sundry liabilities	37.08	72.14
Total	**2,192.27**	**1,527.16**

27. EQUITY SHARE CAPITAL

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised:		
118,500,000 (March 31, 2019: 118,500,000) equity shares of ₹ 10/- each	11,850.00	11,850.00
4,000,000 (March 31, 2019: 4,000,000) cumulative redeemable preference shares of ₹ 100/- each	4,000.00	4,000.00
Total	**15,850.00**	**15,850.00**
Issued share capital		
6,60,02,922 (March 31, 2019 : 65,992,317) equity shares of ₹ 10/- each	6600.29	6,599.23
Subscribed share capital		
6,60,02,922 (March 31, 2019 : 65,992,317) equity shares of ₹ 10/- each	6600.29	6,599.23
Paid up (fully paid up)		
6,60,02,922 (March 31, 2019 : 65,992,317) equity shares of ₹ 10/- each	6600.29	6,599.23
Total Equity	**6600.29**	**6,599.23**
Issued, Subscribed and fully paid up Equity Shares		
6,60,02,922 (March 31, 2019 : 65,992,317) equity shares of ₹ 10/- each	6600.29	6,599.23
Total Equity	**6600.29**	**6,599.23**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

27. EQUITY SHARE CAPITAL (Contd.)

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the period

Particulars	No. of Shares	₹ in lacs
As at April 1, 2018	6,59,65,762	6,596.58
Issued during the year	26,555	2.65
As at March 31, 2019	**6,59,92,317**	**6,599.23**
Issued during the year	10,605	1.06
As at March 31, 2020	**6,60,02,922**	**6,600.29**

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting. During the year ended March 31, 2020, the amount of per equity share dividend proposed in total for distributions to equity shareholders is ₹ 6.00 (March 31, 2019 : ₹ 22.00). Out of the said total dividend proposed for the year ended March 31, 2020, amount of interim dividend paid during the year was ₹ 6.00 (March 31, 2019 : ₹ 6.00) per equity share and amount of final dividend proposed by the Board of Directors is Nil (March 31, 2019: ₹ 16.00) per equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 97,310 (March 31, 2019 : 128,045) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP), wherein a part of the consideration was received in form of employee service.

d. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Shriram Capital Limited	2,23,71,594	33.89	2,22,68,877	33.74
Dynasty Acquisition FPI Limited	1,34,21,889	20.34	1,34,21,889	20.34
Piramal Enterprises Limited	65,79,840	9.97	65,79,840	9.97

As per the records of the company, including its register of shareholders/members and other declarations received from shareholders/members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Refer note 47 - Capital for the company's objectives, policies and processes for managing capital

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

28. OTHER EQUITY

(₹ in lacs)

Particulars	Amount
Securities Premium Account	
As at April 01, 2018	**1,75,425.47**
Add: Premium on shares issued under ESOP during the year	66.77
As at March 31, 2019	**1,75,492.24**
Add: Premium on shares issued under ESOP during the year	26.67
As at March 31, 2020	**1,75,518.91**
Share Option Outstanding	
As at April 01, 2018	**113.50**
Deductions during the year on exercise of ESOP	(60.13)
As at March 31, 2019	**53.37**
Deductions during the year on exercise of ESOP	24.02
As at March 31, 2020	**29.35**
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at April 01, 2018	**88,431.30**
Add: Amount transferred from Retained Earnings	19,980.00
As at March 31, 2019	**1,08,411.30**
Add: Amount transferred from Retained Earnings	20,020.00
As at March 31, 2020	**1,28,431.30**
Debenture Redemption Reserve	
As at April 01, 2018	**4,486.03**
Add: Amount transferred from Retained Earnings	366.14
Less: Amount transferred to General Reserve on redemption of debentures	(2,007.88)
As at March 31, 2019	**2,844.29**
Add: Amount transferred from Retained Earnings	2,930.90
Less: Amount transferred to General Reserve on redemption of debentures	(2,911.54)
Less: Amount transferred to General Reserve as DRR is not required vide MCA notification dated August 16 ,2019	(2,863.65)
As at March 31, 2020	**-**
General Reserve	
As at April 01, 2018	**73,341.39**
Add: Amount transferred from Retained Earnings	9,990.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	2,007.88
As at March 31, 2019	**85,339.27**
Add: Amount transferred from Retained Earnings	10,010.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	5,775.19
As at March 31, 2020	**1,01,124.46**
Capital Reserve	
As at April 01, 2018	**7,871.88**
As at March 31, 2019	**7,871.88**
As at March 31, 2020	**7,871.88**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

28. OTHER EQUITY (Contd.)

(₹ in lacs)

Particulars	Amount
Capital Redemption Reserve	
As at April 01, 2018	**2,328.98**
As at March 31, 2019	**2,328.98**
As at March 31, 2020	**2,328.98**
Other Comprehensive Income	
As at April 01, 2018	**181.26**
Remeasurement gain/ (loss) on defined benefit plan	(1,404.93)
Income Tax Provision/ (Reversal) on above	491.00
As at March 31, 2019	**(732.67)**
Remeasurement gain/ (loss) on defined benefit plan	(340.60)
Gain/(Loss) on Fair valuation of quoted investments in equity shares	(664.10)
Income Tax Provision/ (Reversal) on above	115.51
As at March 31, 2020	**(1,621.86)**
Retained Earnings	
As at April 01, 2018	**1,96,689.19**
Add: Profit for the year	98,887.80
Add/(Less): Appropriations and other Adjustments	-
Transfer to/(from) debenture redemption reserve	(366.14)
Final Dividend on Equity Shares FY 2017-18	(7,916.23)
Tax on Final Dividend on Equity Shares FY 2017-18	(1,627.20)
Interim Equity Dividend FY 2018-19	(3,959.06)
Tax on Interim Dividend on Equity Shares FY 2018-19	(813.80)
Transfer to Statutory Reserve	(19,980.00)
Transfer to General reserve	(9,990.00)
As at March 31, 2019	**2,50,924.56**
Add: Profit for the year	1,00,052.00
Add/(Less): Appropriations and other Adjustments	
Transfer to/(from) debenture redemption reserve	(2,930.90)
Final Dividend on Equity Shares FY 2018-19	(10,559.22)
Tax on Final Dividend on Equity Shares FY 2018-19	(2,170.48)
Interim Equity Dividend FY 2019-20	(3,959.76)
Tax on Interim Dividend on Equity Shares FY 2019-20	(813.94)
Transfer to Statutory Reserve	(20,020.00)
Transfer to General reserve	(10,010.00)
As at March 31, 2020	**3,00,512.26**
Total other equity	
As at April 01, 2018	**5,48,869.00**
As at March 31, 2019	**6,32,533.22**
As at March 31, 2020	**7,14,195.28**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

28. OTHER EQUITY (Contd.)

Proposed Dividend on equity shares

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
The Board proposed dividend on equity shares		
Proposed dividend on equity shares for the year ended on March 31, 2020: Nil (March 31, 2019: ₹ 16.00 per share)	-	10,558.76
Tax on Dividend Proposed	-	2,170.38
Total	**-**	**12,729.15**

Nature and purpose of reserve

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation. This is not available for distribution of dividend.

Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

Debenture Redemption Reserve: Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture Redemption Reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.

In respect of the debentures issued through public issue, the Company has created DRR of ₹ Nil (March 31, 2019: 366.14 lacs)- as DRR is not required vide MCA notification dated August 16, 2019. The Company has deposited a sum of ₹ Nil (March 31, 2019: ₹ 1,722.00 lacs) with scheduled banks, as there are no debentures issued through public issue, which are due for redemption within one year from the balance sheet date.

General Reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory Reserve: Every year the Company transfers a of sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934. The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

28. OTHER EQUITY (Contd.)

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1) the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Other Comprehensive Income: Other comprehensive income consists of remeasurement of net defined benefit liability/ asset, FVTOCI financial liabilities and financial assets and currency translation.

Share Option Outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 40 for further details of these plans.

29. INTEREST INCOME

(₹ in lacs)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	On Financial Assets measured at FVOCI	On Financial Assets measured at Amortised cost	Interest income on Financial Assets classified at FVTPL	Total	On Financial Assets measured at FVOCI	On Financial Assets measured at Amortised cost	Interest income on securities classified at FVTPL	Total
Interest on Loans	-	5,59,283.18	-	5,59,283.18	-	5,57,217.47	-	5,57,217.47
Interest income from investments	-	2,827.05	-	2,827.05	-	3,230.39	-	3,230.39
Interest on deposits with Banks								
- Margin money deposit	-	2,384.22	-	2,384.22	-	195.01	-	195.01
- Other deposits	-	5,221.38	-	5,221.38	-	4,998.90	-	4,998.90
Total	**-**	**5,69,715.83**	**-**	**5,69,715.83**	**-**	**5,65,641.77**	**-**	**5,65,641.77**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

30. FEE AND COMMISSION INCOME

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income from commission services	781.98	-
Income from collection services	571.45	1,131.56
Financial Guarantee Income	15.65	15.60
Total	**1,369.08**	**1,147.16**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Type of Services or Service		
Fee and commission income	1,353.43	1,131.56
Total revenue from contract with customers	**1,353.43**	**1,131.56**
Geographical markets		
India	1,353.43	1,131.56
Outside India	-	-
Total revenue from contract with customers	**1,353.43**	**1,131.56**
Timing of revenue recognition		
Services transferred at a point in time	1,353.43	1,131.56
Services transferred over time	-	-
Total revenue from contracts with customers	**1,353.43**	**1,131.56**

Contract Balance

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Trade Receivables	93.12	-
Less: Impairment loss allowances	(3.36)	-
Net Trade Receivables	**89.76**	**-**
Contract Assets	-	-
Total	**89.76**	**-**

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

31. NET GAIN/(LOSS) ON FAIR VALUE CHANGES

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	320.34	1,187.79
- Derivatives	(81.61)	(297.39)
Total Net gain/(loss) on fair value changes	**238.73**	**890.40**
Fair Value changes:		
- Realised	1,309.64	26.16
- Unrealised	(1,070.91)	864.24
Total Net gain/(loss) on fair value changes	**238.73**	**890.40**

32. OTHER INCOME

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Gain on sale of Property, plant & equipment	14.24	17.99
Miscellaneous income	320.90	234.26
Total	**335.14**	**252.25**

33. FINANCE COST

(₹ in lacs)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest expense on:-						
Fixed Deposits	-	31,490.80	31,490.80	-	26,461.61	26,461.61
Subordinated liabilities	-	5,619.14	5,619.14	-	12,353.22	12,353.22
Borrowings (other than debt securities)						
-Loans from Banks	-	85,793.17	85,793.17	-	86,979.69	86,979.69
-Loans from Financial Institution/ NBFC	-	6,054.09	6,054.09	-	5,037.85	5,037.85
-Loans from Financial Institution/ NBFC- Securitisation	-	21,312.39	21,312.39	-	2,024.79	2,024.79
-Loans from Banks- Securitisation	-	1,208.38	1,208.38	-	-	-
-Working Capital Demand Loans	-	13,624.44	13,624.44	-	10,104.63	10,104.63
-Cash Credit	-	4,012.56	4,012.56	-	6,853.20	6,853.20
-Commercial Paper	-	7,327.90	7,327.90	-	20,399.31	20,399.31

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

33. FINANCE COST (Contd.)

(₹ in lacs)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Debt securities	-	35,874.20	35,874.20	-	28,340.53	28,340.53
Interest on Tax Liability	-	83.19	83.19	-	4.04	4.04
Interest on Defined Benefit Plans	-	10.18	10.18	-	60.22	60.22
Finance Cost on Lease liability		1,610.59	1,610.59	-	-	-
Total	**-**	**2,14,021.03**	**2,14,021.03**	**-**	**1,98,619.09**	**1,98,619.09**

34. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in lacs)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
Loans and advances to customers	-	11,750.41	11,750.41	-	13,467.86	13,467.86
Others						
- Undrawn Commitments	-	31.77	31.77	-	-	-
- Trade Receivables	-	3.36	3.36	-	-	-
- Assignment Receivables	-	62.32	62.32	-	-	-
Total	**-**	**11,847.86**	**11,847.86**	**-**	**13,467.86**	**13,467.86**

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Year ended March 31, 2020

(₹ in lacs)

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	24,764.15	(10314.53)	(2,699.21)	-	-	11,750.41
Others						
- Undrawn Commitments	-	-	-	-	31.77	31.77
- Trade Receivables	-	-	-	-	3.36	3.36
- Assignment Receivables	-	-	-	-	62.32	62.32
Total impairment loss	**24,764.15**	**(10314.53)**	**(2,699.21)**	**-**	**97.45**	**11,847.86**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

34. IMPAIRMENT ON FINANCIAL INSTRUMENTS (Contd.)

Year ended March 31, 2019

(₹ in lacs)

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	9,406.81	14,027.04	(9,965.99)	-	-	13,467.86
Others						
- Undrawn Commitments	-	-	-	-	-	-
- Trade Receivables	-	-	-	-	-	-
- Assignment Receivables	-	-	-	-	-	-
Total impairment loss	**9,406.81**	**14,027.04**	**(9,965.99)**	**-**	**-**	**13,467.86**

35. EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, other allowances and bonus	77,589.19	76,587.44
Contribution to provident and other funds	5,387.96	5,775.51
Staff welfare expenses	1,187.72	1,027.51
Gratuity expenses	602.23	400.61
Total	**84,767.10**	**83,791.07**

36. DEPRECIATION, AMORTISATION AND IMPAIRMENT

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of tangible assets	2,900.52	2,807.30
Amortisation of intangible assets	135.01	312.25
Depreciation on right of use assets	5,180.26	-
Total	**8,215.79**	**3,119.55**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

37. OTHER EXPENSES

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent	-	5,859.50
Power and fuel	993.93	955.94
Repairs and maintenance		
- Buildings	1,197.71	1,375.50
- Office equipments	45.64	42.51
Office expenses	1,341.86	1,126.13
Rates and taxes	1,903.40	1,603.70
Printing and stationery	2,820.11	2,329.17
Travelling and conveyance	3,853.89	3,931.66
Advertisement	608.05	444.31
Business promotion	4,547.28	3,596.43
Directors' sitting fees	36.24	32.75
Insurance	403.37	393.57
Communication expenses	2,935.36	2,994.11
Bank charges	1,551.59	1,244.66
Legal and Professional Fees	1,085.24	1,057.07
Loss on sale of fixed assets	47.42	68.61
Public issue expenses for non-convertible debentures	0.83	120.01
CSR expenses	1,036.39	850.00
Miscellaneous expenses	1,843.88	2,013.26
Auditor fees		
(a) Audit Fees	39.57	35.97
(b) Tax Audit Fees	6.59	11.45
(c) Certification Fees	6.70	6.00
(d) Out of Pocket	9.21	10.08
Total	**26,314.26**	**30,102.39**

Details of CSR expenditure:

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Gross amount required to be spent by the Company during the year	2,281.33	1,803.97
b) Amount spent during the year	1,036.39	850.00
(On purposes Other than construction/acquisition of any asset)		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

38. INCOME TAX

The components of income tax expense for the year ended March 31,2020 and year ended March 31, 2019 are:

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	34,240.38	49,637.03
Income tax of earlier years	1,324.24	-
Deferred tax relating to origination and reversal of temporary differences	(116.52)	3,507.43
Total tax charge	**35,448.10**	**53,144.46**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the periods ended March 31, 2020 and March 31, 2019 is, as follows:

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax	**1,35,500.10**	**1,52,032.26**
At India's statutory income tax rate of 25.168% (2019: 34.944%)	33,838.89	53,126.15
Tax at special rate on Capital Gain of ₹ : 1,048.04 lacs @ 22.88%	239.79	-
Total Tax	**34,078.69**	**53,126.15**
Corporate social responsibility expenditure not allowable for tax purpose	260.84	297.02
Deduction under chapter VIA of the Income Tax Act, 1961 (2019:section 80G and 80JJAA)	(384.33)	(78.62)
Income tax of earlier year	1,324.24	-
Others	168.66	(200.09)
Income tax expense reported in the statement of profit or loss	**35,448.10**	**53,144.46**

The effective income tax rate for March 31,2020 is 26.16% (March 31, 2019 is 34.96%)

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(₹ in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Property, plant and equipment and intangible assets	1,722.57	-	470.77	-
Net Right to use Asset and future rent liability	123.33	-	(123.33)	-
Expenses allowable for tax purpose when paid	2,473.42	-	(249.48)	51.63
EIR impact on debt instrument measured at Amortised Cost	-	94.71	(313.64)	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

38. INCOME TAX (Contd.)

(₹ in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	241.67	25.69	(347.11)	(167.14)
Impact of amortisation of processing fees on Loans and Advances	437.10	-	540.62	-
Other temporary differences	224.57	29.49	(94.35)	-
Total	**5,222.66**	**149.89**	**(116.52)**	**(115.51)**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(₹ in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2019	As at March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019
Property, plant and equipment and intangible assets	2,193.34	-	(251.07)	-
Expenses allowable for tax purpose when paid	2,766.51	490.94	39.37	(490.94)
Provision for expected credit loss	-	-	3,319.89	
EIR impact on debt instrument measured at Amortised Cost	-	408.35	(572.98)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	-	298.27	404.89	
Impact of amortisation of processing fees on Loans and Advances	977.72	-	728.00	-
Impact of Recognition of Interest on assignment and securitisation	-	-	(54.38)	
Other temporary difference	118.89	18.15	(106.29)	-
Total	**6,056.46**	**1,215.71**	**3,507.43**	**(490.94)**

Amount recognised in respect of current tax/ deferred tax directly in equity:

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Amount recognised in respect of current tax/ deferred tax directly in equity	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

38. INCOME TAX (Contd.)

Tax losses and Tax credits

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unused Capital Gains tax losses for which no deferred tax asset has been recognised	-	-
Unused Tax Credits-MAT credit entitlement	-	-

CURRENT TAX ASSETS (NET)

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance income tax (net of provision for tax) [provision for income tax March 31,2020: ₹ 3,19,606.36.lacs March 31, 2019: ₹ 2,84,041.73 lacs]	13,069.56	4,224.50
Total	**13,069.56**	**4,224.50**

39. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares and issue of Employee Stock Options.

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit after tax as per Statement of Profit and Loss (₹ in lacs) (A)	1,00,052.00	98,887.80
Weighted average number of equity shares for calculating basic earnings per share (₹ in lacs) (B)	659.97	659.78
Effect of dilution:		
Stock options granted under ESOP (Nos. in lacs)	0.12	0.23
Weighted average number of equity shares for calculating diluted earnings per share (₹ in lacs) (C)	660.10	660.01
Earnings per share		
Basic earnings per share (₹) (A/B)	151.60	149.88
Diluted earnings per share (₹) (A/C)	151.57	149.83

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

40. EMPLOYEE STOCK OPTION PLAN

40.1 The Company provides share-based payment schemes to its Employees. For the period ended March 31, 2020 an Employee Stock Option Plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

Date of Shareholder's approval	:	October 30, 2006
Date of grant	:	October 19, 2007
Date of Board Approval	:	October 19, 2007
Number of options granted	:	1,355,000
Method of Settlement (Cash/Equity)	:	Equity
Graded vesting period :		
After 1 years of grant date	:	10% of options granted
After 2 years of grant date	:	20% of options granted
After 3 years of grant date	:	30% of options granted
After 4 years of grant date	:	40% of options granted
Exercisable period	:	10 years from vesting date
Vesting Conditions	:	On achievement of pre-determined targets

The details of Series 1 have been summarised below:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Weighted Average Exercise Price per share (in ₹)	Number of Shares	Weighted Average Exercise Price per share (in ₹)
Outstanding at the beginning of the year	23,565	35.00	50,120	35.00
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Less: Exercised during the year	10,605	35.00	26,555	35.00
Less: Expired during the year	-	-	-	-
Outstanding at the end of the period	12,960	35.00	23,565	35.00
Exercisable at the end of the period	-	-	-	-
Weighted average remaining contractual life (in years)	-	0.55	-	1.55
Weighted average fair value of options granted	-	227.42	-	227.42

The details of exercise price for stock options outstanding at the end of the period are:

As at March 31,	Range of exercise prices per share (in ₹)	No. of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average Exercise Price per share (in ₹)
2020	35	12,960	0.55	35
2019	35	23,565	1.55	35

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

40. EMPLOYEE STOCK OPTION PLAN (Contd.)

STOCK OPTIONS GRANTED

The weighted average fair value of stock options granted was ₹ 227.42. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

Particulars	2006	2007	2008	2009
Exercise Price (₹)	35.00	35.00	35.00	35.00
Expected Volatility (%)	55.36	55.36	55.36	55.36
Historical Volatility	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (₹)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	7.70	7.67	7.66	7.67
Expected dividend rate (%)	0.84	0.84	0.84	0.84

The expected volatility was determined based on historical volatility data equal to the NSE volatility rate of Bank NIFTY which is considered as a comparable peer group of the Company. To allow for the effects of early exercise it was assumed that the employees would exercise the options within six months from the date of vesting in view of the exercise price being significantly lower than the market price.

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Compensation cost pertaining to equity-settled employee share-based payment plan included above	-	-
Liability for employee stock options outstanding as at end of period	29.35	53.37
Deferred compensation cost	Nil	Nil

Since the company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:

In March 2005, the ICAI issued a guidance note on "Accounting for Employees Share Based Payments" applicable to Employee based share plan, the grant date in respect of which falls on or after April 1 2005. The said guidance note requires that the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note the impact on the reported net profit and earnings per share would be as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit as reported (₹ in lacs)	1,00,052.00	98,887.75
Add: Employee stock compensation under intrinsic value method (₹ in lacs)	-	-
Less: Employee stock compensation under fair value method (₹ in lacs)	-	-
Proforma profit (₹ in lacs)	1,00,052.00	98,887.75
Less: Preference Dividend	-	-
Proforma Net Profit for Equity Shareholders (₹ in lacs)	1,00,052.00	98,887.75

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

40. EMPLOYEE STOCK OPTION PLAN (Contd.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Earnings per share		
Basic (₹)		
- As reported	151.60	149.88
- Proforma	151.60	149.88
Diluted (₹)		
- As reported	151.57	149.83
- Proforma	151.57	149.83

40.2 A new ESOP scheme "SCUF Employees Stock Option Scheme 2013" was approved at an EGM on May 31, 2013. Accordingly 2,627,000 equity shares @ ₹ 10 each have been reserved under this scheme with an exercise price of ₹ 300 per option and with a maximum vesting period of five years from the date of grant. These shares are not yet granted to employees by the company.

41. INVESTMENT IN SUBSIDIARY

Subsidiary of the Company is:

Name of the subsidiary	Country of Incorporation	Principal place of business	Principal activities	For the year ending	No of Equity Shares Held (FV of ₹ 10 /- each)	% equity interest
Shriram Housing Finance Limited	India	Mumbai	Housing Finance	March 31, 2020	16,54,40,000	77.25%
				March 31, 2019	16,54,40,000	77.25%

42. RETIREMENT BENEFIT PLAN

Defined Contribution Plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The Company makes Provident Fund, Employee State Insurance Scheme contributions, National Pension scheme contributions and Labour welfare Fund contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 4,068.99 lacs (March 31, 2019: ₹ 4,225.08 lacs) for Provident Fund contributions, ₹ 1,235.21 lacs (March 31, 2019: ₹ 1,492.88 lacs) for Employee State Insurance Scheme contributions, ₹ 13.16 lacs (March 31, 2019: ₹ 10.45 lacs) for Labour welfare Fund contributions and ₹ 56.20 lacs (March 31, 2019: ₹ 47.10 lacs) for National Pension scheme in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972 (the Act). Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers. Each year the level of funding in the gratuity plan is reviewed. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The contribution is decided based on the results of annual review. Generally, it aims to have a portfolio mix of equity instruments, property and debt instruments. Generally equity instruments and property should not exceed 30% of total

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

42. RETIREMENT BENEFIT PLAN (Contd.)

portfolio. The Aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

Risk associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following Risks:

Interest Risk: A fall in the discount rate which is linked to the Govt. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of the Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

Compensated absences

The company has a policy on compensated absences which is accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using Projected Unit Credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Company recognised expense amounting ₹ 641.42 lacs (March 31, 2019: ₹ 925.63 Lacs) for Leave encashment.

The following table summarises the components of net benefit expense recognised in statement of profit and loss and funded status and amounts recognised in balance sheet for the gratuity plan

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

42. RETIREMENT BENEFIT PLAN (Contd.)

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current Service Cost	602.23	400.61
Interest expense	365.01	230.21
Interest Income	(354.82)	(170.00)
Past service cost		-
Components of defined benefit costs recognised in profit or loss (A)	**612.41**	**460.82**
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(16.35)	(20.45)
actuarial changes arising from changes in demographic assumptions	(12.69)	116.34
actuarial changes arising from changes in financial assumptions	170.48	876.54
Experience adjustments	199.17	432.50
Components of defined benefit costs recognised in other comprehensive income (B)	**340.61**	**1,404.93**
Total (A+B)	**953.02**	**1,865.75**

Movement in the present value of the defined benefit obligation are as follows :

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	4,809.03	3,045.11
Expenses recognised in the statement of profit and loss:		
Current Service Cost	602.23	400.60
Interest expense/(income)	365.01	230.21
Recognised in other comprehensive income remeasurement (gains)/Loss.	356.95	1,425.38
Past service cost	-	-
Net Liabilities transferred out/ Divestments	46.21	(28.33)
Benefits paid from the fund	(362.60)	(263.94)
Present value of defined obligation at the end of the year	**5,816.83**	**4,809.03**

Change in the Fair value of plan assets :

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at the beginning of the year	**4,674.89**	**2,248.63**
Interest Income	354.82	169.99
Contributions by the Employer	-	2,499.76
Benefits paid from the fund	(362.60)	(263.94)
Return on plan assets excluding interest income	16.35	20.45
Fair value of plan assets at the end of the year	**4,683.46**	**4,674.89**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

42. RETIREMENT BENEFIT PLAN (Contd.)

Calculation of benefit liability/(asset) :

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	5,816.83	4,809.03
Fair value of plan assets	4,683.46	4,674.89
Benefit liability	**1,133.37**	**134.14**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Expected return on Plan assets	6.84%	7.59%
Rate of discounting	6.84%	7.59%
Expected rate of salary increase	0% p.a for the next 1 year and 7% p.a. thereafter starting from the 2nd year	7.00%
Rate of employee turnover	For service 4 years and below 29.00% p.a & For service 5 years and above 3.00% p.a	For service 4 years and below 31.00% p.a & For service 5 years and above 4.00% p.a
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Mortality rate after employment	NA	NA

Investments quoted in active markets:

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Investment Funds	4,683.47	4,674.89
Total	**4,683.47**	**4,674.89**

Sensitivity Analysis

(₹ in lacs)

Assumptions	Discount rate		Future salary increases		Attrition rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation for FY 19-20	(642.39)	778.40	766.43	(598.93)	(20.35)	22.26
Impact on defined benefit obligation for FY 18-19	(477.08)	571.82	565.14	(479.48)	17.73	(22.19)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

42. RETIREMENT BENEFIT PLAN (Contd.)

Maturity Analysis of Benefit Payments from the fund

(₹ in lacs)

Expected payment for future years	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting period)	587.01	486.28
2nd following Year	223.96	216.82
3rd following Year	243.53	276.80
4th following Year	289.35	266.73
5th following Year	282.91	317.05
sum of years 6 to 10	1,480.38	1,504.15
sum of years 11 and above	13,404.36	11,035.45
Total expected payments (Undiscounted)	**16,511.51**	**14,103.28**

The Company expects to contribute ₹ 1,133.36 lacs to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at 31 March 2020 is 14 years (March 31 2019: 13 years)

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year(subject to sufficiency of funds under the policy). The policy thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

43. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in lacs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	2,09,182.78	-	2,09,182.78	98,136.94	-	98,136.94
Bank Balance other than above	97,053.53	-	97,053.53	27,766.65	2,515.16	30,281.81
Receivables						
- Trade Receivables	89.76		89.76	-	-	-
- Other than Trade Receivables	-		-	-	-	-
Loans	14,05,728.59	12,55,524.37	26,61,252.96	13,70,940.12	13,27,970.81	26,98,910.93
Investments	39,350.11	34,063.86	73,413.97	39,010.63	47,954.67	86,965.30
Other financial assets	3,513.35	2,839.47	6,352.82	2,948.52	493.97	3,442.49

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

43. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

(₹ in lacs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-financial Assets						
Current tax asset	-	13,069.56	13,069.56	-	4,224.50	4,224.50
Deferred tax assets (net)	-	5,072.77	5,072.77	-	4,840.74	4,840.74
Property, plant and equipment	-	7,241.02	7,241.02	-	7,924.47	7,924.47
Other intangible assets	-	193.18	193.18	-	157.36	157.36
Right of Use Assets	-	15,487.33	15,487.33	-	-	-
Other non financial assets	165.21	8,850.11	9,015.32	1,193.61	5,446.95	6,640.55
Total assets	**17,55,083.33**	**13,42,341.67**	**30,97,425.00**	**15,39,996.47**	**14,01,528.63**	**29,41,525.09**
Liabilities						
Financial Liabilities						
Derivative financial liabilities	-	-	-	297.39	-	297.39
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,077.83	-	6,077.83	5,509.89	-	5,509.89
Debt Securities	1,57,961.69	2,88,865.96	4,46,827.65	1,32,129.99	2,36,559.97	3,68,689.96
Borrowings (other than debt security)	8,14,152.90	6,30,472.66	14,44,625.56	8,29,312.47	6,84,834.87	15,14,147.34
Deposits	1,21,486.63	2,79,720.17	4,01,206.80	1,12,993.25	1,98,947.36	3,11,940.61
Subordinated Liabilities	23,923.91	-	23,923.91	43,541.66	21,829.29	65,370.95
Other Financial liabilities	31,754.11	16,094.51	47,848.62	32,249.31	132.78	32,382.09
Non-financial Liabilities						
Provisions	1,603.89	2,322.90	3,926.79	134.14	2,393.11	2,527.25
Other non-financial liabilities	2,187.45	4.82	2,192.27	1,454.17	72.99	1,527.16
Total Liabilities	**11,59,148.41**	**12,17,481.02**	**23,76,629.43**	**11,57,622.27**	**11,44,770.37**	**23,02,392.64**
Net	**5,95,934.92**	**1,24,860.65**	**7,20,795.57**	**3,82,374.20**	**2,56,758.26**	**6,39,132.45**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

44. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities during FY 2019-20

(₹ in lacs)

Particulars	As at March 31, 2019	Cash Flows	Exchange difference	Other *	As at March 31, 2020
At Amortised Cost					
Debt Securities					
-NCD Public Issue	11,377.17	75,282.55	-	(1,704.29)	84,955.43
-NCD Retail	(0.01)	0.01	-	-	-
-NCD Institutional	3,57,312.78	6,585.82	-	(2,026.38)	3,61,872.22
Subordinated Liabilities		-		-	
- Sub Debt Retail	57,685.07	(34,033.43)	-	272.27	23,923.91
- Sub Debt Institutional	7,685.88	(7,705.28)	-	19.40	-
Borrowings other than debt securities		-		-	
- Term Loan from Banks	9,55,771.26	(1,65,566.62)	-	(1,070.95)	7,89,133.69
- Term Loan from Institution	30,593.06	33,593.25	-	(145.84)	64,040.47
- Commercial paper	1,78,583.47	(1,67,419.14)	-	-	11,164.33
- Cash Credit from Banks	1,58,186.86	(1,10,148.96)	-	-	48,037.90
- Working Capital Demand Loans	76,685.16	77,803.82	-	-	1,54,488.98
- Term Loan from Bank- Securitisation	-	59,507.38	-	(953.69)	58,553.69
- Term Loan from financial Institution/ NBFC- Securitisation	1,14,327.54	2,09,299.40	-	(4,420.44)	3,19,206.50
Deposits		-		-	
-Public Deposits	3,11,940.60	90,073.35	-	(807.15)	4,01,206.80
Total	**22,60,148.84**	**67,272.16**	**-**	**(10,837.08)**	**23,16,583.92**

* Represents adjustments on account of processing fees and other transaction cost.

Changes in liabilities arising from financing activities during FY 2018-19

(₹ in lacs)

Particulars	As at March 31, 2018	Cash Flows	Exchange difference	Other *	As at March 31, 2019
At Amortised Cost					
Debt Securities					
-NCD Public Issue	20,920.73	(9,543.56)	-	-	11,377.17
-NCD Retail	639.59	(640.29)	-	0.69	(0.01)
-NCD Institutional	2,08,541.94	1,48,874.28	-	(103.44)	3,57,312.78
Subordinated Liabilities					
- Sub Debt Retail	89,327.13	(32,049.87)	-	407.81	57,685.07
- Sub Debt Institutional	28,234.63	(20,681.07)	-	132.32	7,685.88
Borrowings other than debt securities					
- Term Loan from Banks	9,81,353.93	(25,085.47)	165.46	(662.66)	9,55,771.26
- Term Loan from Institution	48,500.36	(17,907.84)	-	0.54	30,593.06
- Commercial paper	2,18,831.02	(40,247.55)	-	-	1,78,583.47

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

44. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (Contd.)

(₹ in lacs)

Particulars	As at March 31, 2018	Cash Flows	Exchange difference	Other *	As at March 31, 2019
- Cash Credit from Banks	1,46,418.70	11,768.16	-	-	1,58,186.86
- Working Capital Demand Loans	80,626.03	(3,940.87)	-	-	76,685.16
- Term Loan from financial Institution/ NBFC- Securitisation	10,224.25	1,04,103.29	-	-	1,14,327.54
Deposits					
-Public Deposits	3,07,365.14	4,875.35	-	(299.89)	3,11,940.60
Total	**21,40,983.45**	**1,19,524.56**	**165.46**	**(524.63)**	**22,60,148.84**

* Represents adjustments on account of processing fees and other transaction cost.

45. CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent Liabilities

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. In respect of Income tax demands where the Company has filed appeal before various authorities	116.45	1,468.18
b. VAT demand where the Company has filed appeal before various Appellate	259.95	266.45
c. Service tax demand	8,019.29	3,802.12
d. Guarantees given for subsidiary	2,500.00	2,500.00
Total	**10,895.69**	**8,036.75**

Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements /decisions pending with various forums/authorities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

The company has issued a guarantee for ₹ 2,500.00 lacs against refinance obtained by subsidiary, Shriram Housing Finance Limited for NHB.

(B) Commitments not provided for

(₹ in lacs)

Commitments not provided for	As at March 31, 2020	As at March 31, 2019
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	295.37	233.37
b. Commitments related to loans sanctioned but undrawn	691.57	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

46. RELATED PARTY DISCLOSURES

Relationship			Name of the party
(i)	Enterprises having significant influence over the Company	:	Shriram Capital Limited (SCL)
			Shriram Ownership Trust (SOT)
			Dynasty Acquisition FPI Limited (DAFL)
(ii)	Subsidiary	:	Shriram Housing Finance Limited (SHFL)
(iii)	Associates *	:	Insight Commodities and Futures Private Limited (ICFPL)
			Shriram Asset Management Company Limited (SAMCL)
			Shriram Credit Company Limited (SCCL)
			Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)
			Shriram Financial Ventures (Chennai) Private Limited (SFVPL)
			Shriram Fortune Solutions Limited (SFSL)
			Shriram General Insurance Company Limited (SGICL)
			Shriram Insight Share Brokers Limited (SISBL)
			Shriram Life Insurance Company Limited (SLICL)
			Shriram Overseas Investments Private Limited (SOIPL)
			Shriram Wealth Advisors Limited (SWAL)
			Shriram Value Services Limited (SVSL)
			Bharath Investments Pte. Ltd., Singapore (BIPL)
			SGI Philippines General Insurance Co. Inc. (SGIPGICI)
			Novac Technology Solutions Pvt. Ltd (NTSPL)
			Novac Digital Services Pvt Limited (formerly Techfactory Services Pvt. Ltd.) (NDSPL)
			Snottor Technology Services Private Limited
(iv)	Key Management Personnel	:	Mr. Y.S. Chakravarti, Managing Director (Appointed w.e.f 01.07.2019)
			Mr. R Duruvasan, Director (Ceased from Managing Director w.e.f 30.06.2019)
			Mr. Debendranath Sarangi, Chairperson
			Mr. Khushru Burjor Jijina, Director (Ceased w.e.f 07.05.18)
			Mr. Subramaniam Krishnamurthy, Director (Ceased w.e.f 31.03.19)
			Mr. Vipen Kapur , Director (Ceased w.e.f 31.03.19)
			Mr .C R Muralidharan, Director (Appointed w.e.f 01.04.2019)
			Mr .Diwakar Bhagwati Gandhi, Director (Appointed w.e.f 01.04.2019)
			Mr. Gerrit Lodewyk Van Heerde, Director (Ceased w.e.f. 29.07.2019)
			Ms. Maya S Sinha, Director
			Mr. Sri Pranab Prakash Pattanayak, Director (Reappointed w.e.f 01.04.2019)
			Mr. Ranvir Dewan, Director (Ceased w.e.f. 02.12.2019)
			Mr. Shashank Singh, Director
			Mr. Venkataraman Murali, Director (Reappointed w.e.f 01.04.2019)
			Mr. R Chandrasekar, Chief Financial Officer
			Mr. C R Dash, Company Secretary
			Mr.Ignatius Michael Viljoen, Director (Appointed w.e.f 29.7.2019)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

46. RELATED PARTY DISCLOSURES (Contd.)

Relationship		Name of the party
(v)	Relatives of Key Management Personnel :	Relatives of Mr. R Duruvasan, Director (Ceased from Managing Director & CEO w.e.f 30.06.2019)
		Late Mr. Ayneni Ramachandra Naidu (Father)
		Late Ms. Ayneni Ammayamma (Mother)
		Ms. A Komaleeswari (Spouse)
		Mr. Ayneni Vamshi Krishna (Son)
		Mr. R Perumal (Brother)
		Ms. P Padmaja (Brother's Wife)
		Ms. S Usha Rani (Sister)
		Mr. R Selvam (Sister's Husband)
		Relatives of Mr. Y.S. Chakravarti, Managing Director & CEO (Appointed w.e.f 01.07.2019)
		Late Mr. Satyanarayana Y (Father)
		Ms. Rajamannar (Mother)
		Ms. Sujata Yalamati (Spouse)
		Mr. Sree Bhargav (Son)
		Ms. Nayana Sri (Daughter)
		Ms. Aruna S (Sister)
		Ms. Rama Devi D (Sister)
		Mr. S R Krishna (Sister's husband)
		Mr. Venkateswara Rao D (Sister's husband)
		Mr. M S R Choowdary (Brother of spouse)

*- The Company neither holds any shares in the following entities nor these entities hold any shares in the Company except Shriram Financial Ventures (Chennai) Private Limited (SFVPL) . However these entities are "subsidiaries" of Shriram Capital Limited and hence these entities are treated as "associates" as per paragraph 9(b)(ii) of IND- AS 24 and transactions made with these entities are disclosed.

There are no transactions with relatives of Key Management Personnel for the year ended March 31, 2020.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

46. RELATED PARTY DISCLOSURES (Contd.)

Related party transactions during the year

(₹ in lacs)

Particulars	Enterprises having significant influence over the Company		Subsidiary Company		Associates		Key Management Personnel		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Payments/Expenses										
Royalty to SOT	3,246.30	6,301.60	-	-	-	-	-	-	3,246.30	6,301.60
Royalty to SVSL	-	-	-	-	3,170.84	-	-	-	3,170.84	-
Commission & Other expenses- SFPSPL	-	-	-	-	2,311.44	1,943.61	-	-	2,311.44	1,943.61
Commission & Other expenses- SFSL	-	-	-	-	2,800.01	1,271.60	-	-	2,800.01	1,271.60
Commission & Other expenses- SISBL	-	-	-	-	59.39	39.63	-	-	59.39	39.63
Interest Expenses- SFPSPL	-	-	-	-	54.57	-	-	-	54.57	-
Interest Expenses- SLICL	-	-	-	-	423.72	133.72	-	-	423.72	133.72
Insurance - SGICL	-	-	-	-	402.08	414.04	-	-	402.08	414.04
Insurance - SLICL	-	-	-	-	577.91	461.59	-	-	577.91	461.59
IT Services & Other expenses- SVSL	-	-	-	-	1,339.39	4,194.57	-	-	1,339.39	4,194.57
Professional Charges to NTSPL	-	-	-	-	3,812.26	-	-	-	3,812.26	-
Reimbursement of Rent and other expenses-SCL	14.61	195.09	-	-	-	-	-	-	14.61	195.09
Fees to SCL	1,842.24	1,754.52		-	-	-	-	-	1,842.24	1,754.52
Rent and other expenses to SHFL	-	-	326.60	326.96	-	-	-	-	326.60	326.96
Payment for Assignment to SHFL	-	-	1,137.74	-	-	-	-	-	1,137.74	-
"Payments to Key Managerial Personnel (MD, CFO & CS)"										
Short–term employee benefits	-	-	-	-	-	-	165.12	148.62	165.12	148.62
Post–employment pension (defined contribution)	-	-	-	-	-	-	29.90	29.61	29.90	29.61
Other long term employee benefits	-	-	-	-	-	-	46.56	9.39	46.56	9.39
Directors Sitting Fees	-	-	-	-	-	-	36.24	30.05	36.24	30.05
Equity dividend to SCL	4,921.75	4,008.40	-	-	-	-	-	-	4,921.75	4,008.40
Equity dividend to DAFL	2,952.82	2,415.94	-	-	-	-	-	-	2,952.82	2,415.94
Equity dividend to SFVPL	-	-	-	-	3.63	-	-	-	3.63	-
Equity dividend to KMP	-	-	-	-	-		1.80	1.47	1.80	1.47

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

46. RELATED PARTY DISCLOSURES (Contd.)

(₹ in lacs)

Particulars	Enterprises having significant influence over the Company		Subsidiary Company		Associates		Key Management Personnel		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Receipts/Income										
Reimbursement of expenses from SHFL	-	-	15.35	154.68	-	-	-	-	15.35	154.68
Receipt for Assignment from SHFL	-	-	9,784.26	-	-	-	-	-	9,784.26	-
Commission- SGICL	-	-	-	-	247.82	-	-	-	247.82	-
Commission - SLICL	-	-	-	-	458.26	-	-	-	458.26	-
Interest on loan from SHFL	-	-	-	255.92	-	-	-	-	-	255.92
Interest income from Financial Guarantee-SHFL	-	-	15.65	15.60	-	-	-	-	15.65	15.60
Rent Income - SFSL	-	-	-	-	15.06	18.29	-	-	15.06	18.29
Rent Income - SISBL	-	-	-	-	4.50	12.77	-	-	4.50	12.77
Rent Income - SLICL	-	-	-	-	3.69	19.25	-	-	3.69	19.25
Rent Income - SHFL	-	-	45.83	7.05	-	-	-	-	45.83	7.05
Electricity, Telephone and other charges Received										
Expenses reimbursement -SFSL	-	-	-	-	8.16	11.23	-	-	8.16	11.23
Expenses reimbursement -SISBL	-	-	-	-	1.56	1.83	-	-	1.56	1.83
Expenses reimbursement -SLICL	-	-	-	-	1.92	27.29	-	-	1.92	27.29
Balance outstanding as at										
Share Capital held by SCL	2,237.16	2,226.89	-	-	-	-	-	-	2,237.16	2,226.89
Share Capital held by DAFL	1,342.19	1,342.19	-	-	-	-	-	-	1,342.19	1,342.19
Share Capital held by SFVPL	-	-	-	-	1.65	-	-	-	1.65	-
Share Capital held by KMP	-	-	-	-	-	-	0.82	0.82	0.82	0.82
Investment of SCL	4.70	226.43	-	-	-	-	-	-	4.70	226.43
Investment in Shares (including deemed investment) of SHFL	-	-	16,727.91	16,727.91	-	-	-	-	16,727.91	16,727.91
Security deposits with SHFL	-	-	275.32	275.32	-	-	-	-	275.32	275.32

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

46. RELATED PARTY DISCLOSURES (Contd.)

(₹ in lacs)

Particulars	Enterprises having significant influence over the Company		Subsidiary Company		Associates		Key Management Personnel		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Expense Payable to SHFL	-	-	47.32	32.64	-	-	-	-	47.32	32.64
Receivable from SHFL	-	-	24.74	16.57	-	-	-	-	24.74	16.57
Interest Payable to SCL	1.08	183.17	-	-	-	-	-	-	1.08	183.17
Royalty Payable to SOT	-	1,552.50	-	-	-	-	-	-	-	1,552.50
Royalty Payable to SVSL	-	-	-	-	1,554.29	-	-	-	1,554.29	-
Expenses payable to SCL	456.34	-	-	-	-	-	-	-	456.34	-
Expense Payable to SFPSPL	-	-	-	-	80.48	0.35	-	-	80.48	0.35
Expense Payable to SFSL	-	-	-	-	211.83	-	-	-	211.83	-
Expense Payable to SISBL	-	-	-	-	4.39	0.08	-	-	4.39	0.08
Expense Payable to SVSL	-	-	-	-	1.15	14.16	-	-	1.15	14.16
Expense Payable to NTSPL	-	-	-	-	11.78	-	-	-	11.78	-
Expense Payable to SLICL	-	-	-	-	0.03	4.33	-	-	0.03	4.33
Outstanding Payable to SFPSPL	-	-	-	-	1,034.77	-	-	-	1,034.77	-
Outstanding Payable to SLICL	-	-	-	-	6,444.54	1,501.34	-	-	6,444.54	1,501.34
Receivable from SFSL	-	-	-	-	-	6.07	-	-	-	6.07
Receivable from SGIC	-	-	-	-	86.90	-	-	-	86.90	-
Receivable from SISBL	-	-	-	-	1.00	-	-	-	1.00	-
Receivable from SLICL	-	-	-	-	0.68	2.59	-	-	0.68	2.59
Receivable from NTSPL	-	-	-	-	0.32	-	-	-	0.32	-
Receivable from SCL	4.25	-	-	-	-	-	-	-	4.25	-
Receivable from SFPSPL	-	-	-	-	32.36	3.00	-	-	32.36	3.00
Receivable from SVSL	-	-	-	-	30.56	7.03	-	-	30.56	7.03

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

47. CAPITAL

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the company ensures to maintain a healthy CRAR at all the times.

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

(₹ in lacs)

Regulatory capital	As at March 31, 2020	As at March 31, 2019
Tier 1 Capital	6,78,676.35	6,32,153.78
Tier 2 Capital	-	2,854.56
Total capital funds	**6,78,676.35**	**6,35,008.34**
Risk weighted assets (₹ in Lacs)	**24,50,549.66**	**27,68,179.28**
Tier 1 capital ratio	27.69%	22.84%
Other Tier 2 capital ratio	0.00%	0.10%
Total capital ratio	**27.69%**	**22.94%**

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends . Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments, which includes contingent convertible bonds.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI) of India.

48. FAIR VALUE MEASUREMENT

48.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 48.3.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

48. FAIR VALUE MEASUREMENT (Contd.)

48.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2020

(₹ in lacs)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	302.08	-	302.08
Equity instruments	8,917.14	-	-	8,917.14
Total financial assets held for trading	**8,917.14**	**302.08**	**-**	**9,219.22**
Total assets measured at fair value on a recurring basis	**8,917.14**	**302.08**	**-**	**9,219.22**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Currency Forward	-	-	-	-
Total derivative financial instruments	**-**	**-**	**-**	**-**
Total financial liabilities measured at fair value on a recurring basis	**-**	**-**	**-**	**-**

As at March 31, 2019

(₹ in lacs)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	20,366.72	-	20,366.72
Equity instruments	10,603.97	-	80.04	10,684.01
Total financial assets held for trading	**10,603.97**	**20,366.72**	**80.04**	**31,050.73**
Total assets measured at fair value on a recurring basis	**10,603.97**	**20,366.72**	**80.04**	**31,050.73**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Currency Forward	297.39	-	-	297.39
Total derivative financial instruments	**297.39**	**-**	**-**	**297.39**
Total financial liabilities measured at fair value on a recurring basis	**297.39**	**-**	**-**	**297.39**

48.3 Valuation techniques

Equity instruments

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the net worth of the investee company.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

48. FAIR VALUE MEASUREMENT (Contd.)

Mutual Funds

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

Foreign exchange contracts

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in lacs)

Particulars	Equity instruments	
	As at March 31, 2020	As at March 31, 2019
Opening Balance	**80.04**	**50.67**
Purchases	-	-
Sales	(1,252.24)	-
Issuances	-	-
Settlements	-	-
Transfers into Level 3	-	-
Transfers from Level 3	-	-
Net interest income, net trading income and other income	1,172.20	-
Other comprehensive income	-	-
Closing Balance	**-**	**80.04**
Unrealised gains and losses related to balances held at the end of the year	**-**	**29.37**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

48. FAIR VALUE MEASUREMENT (Contd.)

48.4 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(₹ in lacs)

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
	As at March 31, 2020	As at March 31, 2020		
Equity Instruments	-	-	NA	NA

(₹ in lacs)

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
	As at March 31, 2019	As at March 31, 2019		
Equity Instruments	80.04	-	Based on the net worth of the investee company	net worth of the investee company

48.5 Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, instruments classified as FVTPL would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

The table below shows data in relation to Level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

(₹ in lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Equity instrument	-	-	29.37	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

48. FAIR VALUE MEASUREMENT (Contd.)

48.6 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non financial liabilities.

(₹ in lacs)

As at March 31, 2020	Carrying Amount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	2,09,182.78	2,09,182.78	-	-	2,09,182.78
Bank balance other than cash and cash equivalents	97,053.53	92.88	96,960.65	-	97,053.53
Trade Receivables	89.76	-	-	89.76	89.76
Loans	26,61,252.96	-	-	26,98,555.01	26,98,555.01
Investments	64,194.75	48,166.31	38,739.91	-	86,906.22
Other financial assets	6,352.82	-	-	6,352.82	6,352.82
Total financial assets	**30,38,126.60**	**2,57,441.97**	**1,35,700.56**	**27,04,997.59**	**30,98,140.12**
Financial liabilities:					
Derivative financial instruments	-	-	-	-	-
Other Payables	6,077.83	-	-	6,077.83	6,077.83
Debt securities	4,46,827.65	-	4,17,301.02	-	4,17,301.02
Borrowings (other than debt securities)	14,44,625.56	-	14,54,280.78	-	14,54,280.78
Deposits	4,01,206.80	-	-	3,91,532.19	3,91,532.19
Subordinated liabilities	23,923.91	-	-	23,923.91	23,923.91
Other financial liabilities	47,848.62	-	-	47,848.62	47,848.62
Total financial liabilities	**23,70,510.37**	**-**	**18,71,581.80**	**4,69,382.55**	**23,40,964.36**

(₹ in lacs)

As at March 31, 2019	Carrying Amount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	98,136.94	98,136.94	-	-	98,136.94
Bank balance other than cash and cash equivalents	30,281.81	91.95	30,189.86	-	30,281.81
Trade Receivables	-	-	-	-	-
Loans	26,98,910.93	-	-	26,95,565.82	26,95,565.82
Investments	55,914.57	39,699.37	35,185.34	-	74,884.71
Other financial assets	3,442.49	-	-	3,442.49	3,442.49
Total financial assets	**28,86,686.74**	**1,37,928.26**	**65,375.20**	**26,99,008.31**	**29,02,311.77**
Financial liabilities:					
Derivative financial instruments	297.39	-	297.39	-	297.39
Other Payables	5,509.89	-	-	5,509.89	5,509.89
Debt securities	3,68,689.96	-	3,69,937.76	-	3,69,937.76
Borrowings (other than debt securities)	15,14,147.34	-	15,10,901.92	-	15,10,901.92
Deposits	3,11,940.61	-	-	3,07,777.37	3,07,777.37
Subordinated liabilities	65,370.95	-	-	83,617.95	83,617.95
Other financial liabilities	32,382.09	-	-	32,382.09	32,382.09
Total financial liabilities	**22,98,338.23**	**-**	**18,81,137.07**	**4,29,287.30**	**23,10,424.37**

48. FAIR VALUE MEASUREMENT (Contd.)

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

48.7 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.

Financial assets at amortised cost

The fair values of financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on market prices for similar instruments or on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

49. RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

49.1 Introduction and Risk Profile

49.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee.

The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

49.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

49.1.3 Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department. The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

49. RISK MANAGEMENT (Contd.)

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

49.1.4 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/ Group.

49.2 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 89 dpd
Non-performing	90+ dpd

49.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

49. RISK MANAGEMENT (Contd.)

49.2.2 Impairment assessment

49.2.2.1 Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the company
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A covenant breach not waived by the Company
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

49.2.2.2 PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

49.2.2.3 Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

49.2.2.4 Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

49.2.2.5 Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 49.2.2.1 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

49. RISK MANAGEMENT (Contd.)

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 49.2.2.6), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

49.2.2.6 Grouping financial assets measured on a collective basis

As explained in Note dependant on the factors below, the Company calculates ECLs only on a collective basis

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Gold Loans
2. Auto Loans
3. MSME Loans
4. Two wheelers Loans
5. Personal Loans

49.2.3 Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2020 was ₹ 3,597.57 lacs (March 31, 2019 ₹ 4,500 lacs)

Credit risk exposure analysis

(₹ in lacs)

Particulars	As at March 31, 2020				
	Stage 1 Collective	Stage 2 Collective	Stage 3	POCI	Total
Normal	24,71,361.98	1,67,996.84	2,24,452.51	-	**28,63,811.33**
Repossessed	-	-	1,841.22	-	**1,841.22**
Total	**24,71,361.98**	**1,67,996.84**	**2,26,293.73**	**-**	**28,65,652.55**

(₹ in lacs)

Particulars	As at March 31, 2019				
	Stage 1 Collective	Stage 2 Collective	Stage 3	POCI	Total
Normal	21,75,299.36	4,58,591.84	2,56,487.39	-	**28,90,378.59**
Repossessed	-	-	1,181.52	-	**1,181.52**
Total	**21,75,299.36**	**4,58,591.84**	**2,57,668.91**	**-**	**28,91,560.11**

49.3 Liquidity risk and funding management

In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds.

The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

49. RISK MANAGEMENT (Contd.)

Borrowings from banks and financial institutions , issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

49.3.2. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2020:

(₹ in lacs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	2,13,548.88	18,699.40	78,479.42	-	-	-	**3,10,727.69**
Trade Receivables	89.76	-	-	-	-	-	**89.76**
Loans	4,94,033.84	5,28,052.99	8,28,557.77	11,75,523.91	3,75,962.40	1,72,582.72	**35,74,713.63**
Financial investments at amortised cost	12,794.82	81.18	27,879.79	1,519.16	8,784.54	124.52	**51,184.00**
Financial investments at FVTPL	302.08	-	-	-	-	-	**302.08**
Financial investments at FVTOCI	-	-	-	-	-	8,917.14	**8,917.14**
Financial investments at Cost	-	-	-	-	-	16,727.91	**16,727.91**
Other Financial Assets	366.82	341.17	2,805.38	1,443.09	939.20	457.17	**6,352.82**
Total undiscounted financial assets	**7,21,136.19**	**5,47,174.73**	**9,37,722.35**	**11,78,486.16**	**3,85,686.13**	**1,98,809.46**	**39,69,015.03**
Financial liabilities							
Derivative Financial Instruments	-	-	-	-	-	-	**-**
Deposits	31,783.76	33,963.96	60,674.91	2,62,758.11	82,504.67	-	**4,71,685.42**
Debt securities	78,272.58	11,867.35	88,225.16	3,08,519.19	29,099.26	-	**5,15,983.54**
Borrowings (other than debt securities)	3,00,593.32	2,33,027.39	3,86,677.48	6,17,955.12	66,346.76	379.27	**16,04,979.35**
Subordinated Liabilities	13,943.15	10,640.32	1.07	-	-	-	**24,584.54**
Other Financial Liabilities	26,722.84	51.01	4,980.25	-	-	16,094.52	**47,848.62**
Total undiscounted financial liabilities	**4,51,315.66**	**2,89,550.02**	**5,40,558.88**	**11,89,232.42**	**1,77,950.69**	**16,473.79**	**26,65,081.47**
Net undiscounted financial assets/(liabilities)	**2,69,820.53**	**2,57,624.71**	**3,97,163.47**	**(10,746.26)**	**2,07,735.44**	**1,82,335.67**	**13,03,933.55**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

49. RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2019:

(₹ in lacs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	98,377.90	4.91	15,332.41	17,138.64	-	-	**1,30,853.86**
Trade Receivables	-	-	-	-	-	-	**-**
Loans	5,05,180.17	4,93,208.86	8,07,735.05	11,68,667.75	3,95,782.31	2,98,975.65	**36,69,549.79**
Financial investments at amortised cost	1,386.33	89.74	20,069.81	13,709.37	9,248.64	125.61	**44,629.50**
Financial investments at FVTPL	20,366.72	-	-	-	-	10,684.01	**31,050.73**
Financial investments at FVTOCI	-	-	-	-	-	-	**-**
Financial investments at Cost	-	-	-	-	-	16,727.91	**16,727.91**
Other Financial Assets	-	-	3,442.49	-	-	-	**3,442.49**
Total undiscounted financial assets	**6,25,311.12**	**4,93,303.51**	**8,46,579.76**	**11,99,515.76**	**4,05,030.95**	**3,26,513.18**	**38,96,254.28**
Financial liabilities							
Derivative Financial Instruments	-	-	297.39	-	-	-	**297.39**
Deposits	32,591.37	27,196.30	53,575.91	1,94,413.60	51,741.61	-	**3,59,518.79**
Debt securities	15,184.77	73,152.11	71,173.93	2,38,399.09	45,810.44	-	**4,43,720.34**
Borrowings (other than debt securities)	4,54,700.37	1,47,255.83	3,30,396.30	6,90,096.65	95,647.53	1,158.42	**17,19,255.10**
Subordinated Liabilities	8,425.13	6,630.37	30,419.33	25,975.26	-	-	**71,450.09**
Other Financial Liabilities	32,382.09	-	-	-	-	-	**32,382.09**
Total undiscounted financial liabilities	**5,43,283.73**	**2,54,234.61**	**4,85,862.86**	**11,48,884.60**	**1,93,199.58**	**1,158.42**	**26,26,623.80**
Net undiscounted financial assets/(liabilities)	**82,027.39**	**2,39,068.90**	**3,60,716.90**	**50,631.16**	**2,11,831.37**	**3,25,354.76**	**12,69,630.49**

The table below shows the contractual expiry by maturity of the company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

(₹ in lacs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2020							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	116.45	**116.45**
VAT demand where the Company has filed appeal before various Appellate	-	-	-	-	-	259.95	**259.95**
Service tax demand	-	-	-	-	-	8,019.29	**8,019.29**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

49. RISK MANAGEMENT (Contd.)

(₹ in lacs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Guarantees and counter guarantees	-	-	-	-	-	2,500.00	**2,500.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	295.37	-	-	-	-	-	**295.37**
Commitments related to loans sanctioned but undrawn	691.57	-	-	-	-	-	**691.57**
Total commitments	**986.94**	**-**	**-**	**-**	**-**	**10,895.69**	**11,882.63**
As at March 31, 2019							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	1,468.18	**1,468.18**
VAT demand where the Company has filed appeal before various Appellate	-	-	-	-	-	266.45	**266.45**
Service tax demand	-	-	-	-	-	3,802.12	**3,802.12**
Guarantees and counter guarantees	-	-	-	-	-	2,500.00	**2,500.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	233.57	-	-	-	-	-	**233.57**
Commitments related to loans sanctioned but undrawn	-	-	-	-	-	-	**-**
Total commitments	**233.57**	**-**	**-**	**-**	**-**	**8,036.75**	**8,270.32**

49.4 Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

49.4.1 Total market risk exposure

(₹ in lacs)

Particulars	As at March 31, 2020			As at March 31, 2019			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Assets							
Cash and cash equivalents and other bank balances	3,06,236.31	-	3,06,236.31	1,28,418.75	-	1,28,418.75	interest rate
Trade Receivables	89.76	-	89.76	-	-	-	interest rate
Loans	26,61,252.96	-	26,61,252.96	26,98,910.93	-	26,98,910.93	interest rate
Financial investments at amortised cost	47,466.84	-	47,466.84	39,186.66	-	39,186.66	interest rate
Financial investments at FVTPL	302.08	302.08	-	31,050.73	31,050.73	-	interest rate and equity price

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

49. RISK MANAGEMENT (Contd.)

(₹ in lacs)

Particulars	As at March 31, 2020			As at March 31, 2019			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Financial investments at FVTOCI	8,917.14	8,917.14	-	-	-	-	interest rate and equity price
Financial investments at Cost	16,727.91	-	16,727.91	16,727.91	-	16,727.91	interest rate
Other financial assets	6,352.82	-	6,352.82	3,442.49	-	3,442.49	interest rate
Total	**30,47,345.82**	**9,219.22**	**30,38,126.60**	**29,17,737.47**	**31,050.73**	**28,86,686.74**	
Liabilities							
Derivative financial instruments	-	-	-	297.39	-	297.39	interest rate/FX
Other Payables	6,077.83	-	6,077.83	5,509.89	-	5,509.89	interest rate
Debt securities	4,46,827.65	-	4,46,827.65	3,68,689.96	-	3,68,689.96	interest rate
Borrowings (other than debt securities)	14,44,625.56	-	14,44,625.56	15,14,147.34	-	15,14,147.34	interest rate
Deposits	4,01,206.80	-	4,01,206.80	3,11,940.61	-	3,11,940.61	interest rate
Subordinated liabilities	23,923.91	-	23,923.91	65,370.95	-	65,370.95	interest rate
Other financial liabilities	47,848.62	-	47,848.62	32,382.09	-	32,382.09	interest rate
Total	**23,70,510.37**	**-**	**23,70,510.37**	**22,98,338.23**	**-**	**22,98,338.23**	

50. Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount remaining unpaid to supplier as at the end of the year	-	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

51. In addition to the auditors remuneration shown under note 37 other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with public issue of non-convertible debentures March 31, 2020 ₹ 20.71 lacs (March 31, 2019: Nil) [including out-of-pocket expenses of March 31, 2020: Nil (March 31, 2019: Nil)] amortised portion of which is included in note 33 Finance Costs under interest on debentures and unamortised portion of which is included in note 20 Debt securities under Redeemable non-convertible debentures - Secured -Public issue.

52. The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

53. Expenditure in foreign currency : Nil (March 31, 2019: Nil)

54. The company had no discontinuing operations during the year ended March 31, 2020.

55. EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

56. In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities, treasury bills & deposit (face value) to the extent of ₹ 20,200 lacs, ₹ 26,205.11 lacs and ₹ 19,988.99 lacs respectively (March 31, 2019 ₹ 20,200, ₹ 17,850.01 lacs and ₹ 15,000.00 lacs respectively) in favour of trustees representing the public deposit holders of the Company.

57. DISCLOSURE ON LOAN AGAINST GOLD AS ON MARCH 31, 2020 VIDE RBI NOTIFICATION DNBS.CC.PD.NO.265/03.10.01/2011-12 DATED 21ST MARCH, 2012

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Asset under Management	28,65,652.55	28,91,560.11
Total Loan against Gold	3,11,888.26	2,71,208.49
Percentage of Gold Loan on Total Assets (On Book)	10.88%	9.38%

58. TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	3,60,074.75	1,11,251.12
Carrying amount of associated liabilities (Borrowings (other than debt securities)- measured at amortised cost)	3,77,760.19	1,14,327.54
Fair value of assets	3,75,611.72	1,20,323.84
Fair value of associated liabilities	3,87,415.42	1,14,158.54
Net position at FV	(11,803.70)	6,165.30

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

59. DISCLOSURE RELATING TO SECURITISATION

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total number of transactions under par structure	15	2
Total book value of assets	3,99,923.33	1,16,057.25
Sale consideration received	3,99,923.33	1,16,057.25

59.1 Disclosure Relating to Securitisation (Contd.)

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

(₹ in lacs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	No. of SPVs sponsored by the company for securitisation transactions (in No.)	18	3
2	Total amount of securitised assets as per books of the SPVs sponsored by the company	3,60,074.75	1,11,251.12
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet		
a)	Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
b)	On-balance sheet exposures		
	First loss	70,520.71	14,469.00
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
a)	Off-balance sheet exposures		
i)	Exposure to own securitisations		
	First loss	-	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
b)	On-balance sheet exposures		
i)	Exposure to own securitisations		
	First loss	-	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

60.

60.1 Disclosure Relating Assignment

(i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

(₹ in lacs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	No. of transactions Assigned by the Company	7	3
2	Total amount of Outstanding	47,619.99	74,003.06
3	Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet		
a)	Off-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
b)	On-Balance Sheet exposures		
	First loss	-	-
	Others	4,752.87	7,382.22
4	Amount of exposures to Assigned transaction other than MRR		
a)	Off-Balance Sheet exposures		
i)	Exposure to own securitisations		
	First loss	-	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
b)	On-Balance Sheet exposures		
i)	Exposure to own securitisations		
	First loss	-	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

(ii) Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium: Nil (March 31, 2019: Nil)

60.2 No financial assets are sold to Securitisation/Reconstruction company for asset reconstruction as on March 31, 2020 and March 31, 2019.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

60. (Contd.)

60.3 Details of Assignment transactions undertaken by the Company

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
No.of accounts	4,24,909.00	2,80,648.00
Aggregate value (net of provision) of account sold	1,45,361.90	88,204.33
Aggregate consideration	1,45,361.90	88,204.33
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	-	-

Pursuant to the directives dated March 13, 2020 from the Reserve Bank of India, the Board of Directors have approved the policy for sales out of amortised cost business model portfolios. The company has assigned loans (earlier measured at amortised cost) by way of direct assignment. Since substantial risk and rewards related ot these assets were transferred to the buyer, the assets have been de-recognised from the company's Balance Sheet.

60.4 The Company has not purchased/sold non-performing assets for the year ended March 31, 2020 and March 31, 2019

61. INVESTMENTS

(₹ in lacs)

			As at March 31, 2020	As at March 31, 2019
(1)	**Value of investments**			
	(i)	Gross value of investments		
		(a) In India	64,496.83	76,361.33
		(b) Outside India,	8,917.14	10,603.97
	(ii)	Provisions for depreciation		
		(a) In India	-	-
		(b) Outside India,	-	-
	(iii)	Net value of investments		
		(a) In India	64,496.83	76,361.33
		(b) Outside India,	8,917.14	10,603.97
(2)	**Movement of provisions held towards depreciation on investments**			
	(i)	Opening balance	-	-
	(ii)	Add : Provisions made during the year	-	-
	(iii)	Less : Write-off/write-back of excess provisions during the year	-	-
	(iv)	Closing balance	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

62. DERIVATIVES

62.1 Forward rate agreement/Interest rate swap

(₹ in lacs)

		As at March 31, 2020	As at March 31, 2019
(i)	The notional principal of forward agreements	-	7,098.00
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into forwards	-	500.00
(iv)	Concentration of credit risk arising from the forward	-	-
(v)	The fair value of the forward book	-	7,098.00

62.2 Exchange Traded interest rate (IR) derivatives : Nil

62.3 Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

Quantitative Disclosures

(₹ in lacs)

Particulars		As at March 31, 2020		As at March 31, 2019	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i)	Derivatives (Notional principal amount)				
	For hedging	-	-	7,098.00	-
(ii)	Marked to market positions [1]				
	a) Asset (+)	-	-	-	-
	b) Liability (-)	-	-	297.39	-
(iii)	Credit exposure [2]	-	-	-	-
(iv)	Unhedged exposures	-	-	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

63. RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Rating Agency	Rating Instrument	As at March 31, 2020	As at March 31, 2019
India Ratings	Long-Term (NCDs)	IND AA/ Stable	IND AA/ Stable
	Short-Term (CP)	IND A1+	IND A1+
	Bank Loan Ratings	IND AA/ Stable	IND AA/ Stable
	Fixed deposit	IND tAA/ Stable	IND tAA/ Stable
CARE	Long-Term (NCDs)	CARE AA+ /Stable	CARE AA+ /Stable
	Short-Term (CP)	CARE A1+	CARE A1+
	Subordinate Debt	CARE AA+ /Stable	CARE AA+ /Stable
	Fixed deposit	CARE AA+ (FD) / Stable	CARE AA+ (FD) / Stable
ICRA	Long-Term (NCDs)	ICRA AA / Stable	ICRA AA / Stable
	Short-Term (CP)	ICRA A1+	ICRA A1+
	Fixed deposit	MAA+ / Stable	MAA+ / Stable
CRISIL	Long-Term (NCDs)	CRISIL AA / Stable	CRISIL AA / Stable
	Short-Term (CP)	CRISIL A1+	NA
	Subordinate Debt	CRISIL AA / Stable	CRISIL AA / Stable

64. EXPOSURE TO REAL ESTATE SECTOR

(₹ in lacs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
i)	**Residential Mortgages -** Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	1,21,103.00	41,607.66
ii)	**Commercial Real Estate -** Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	66,799.12	51,929.37
iii)	**Investments in Mortgage Backed Securities(MBS) and other securitised exposures -**		
	Residential	-	-
	Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	**1,87,902.12**	**93,537.03**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

65. EXPOSURE TO CAPITAL MARKET

(₹ in lacs)

Particulars		As at March 31, 2020	As at March 31, 2019
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	25,947.13	47,778.64
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	4,014.92
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total exposure to capital market		**25,947.13**	**51,793.56**

66. DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

The Company does not have any Parent Company, hence not applicable.

67. DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

68. UNSECURED ADVANCES

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

69. PROVISIONS AND CONTINGENCIES

(₹ in lacs)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2020	Year ended March 31, 2019
Provisions for depreciation on investments	-	-
Provision towards NPA#	(2,699.21)	(9,965.98)
Provision made towards income tax	35,448.10	53,144.47
Provision for Standard Assets##	14,449.61	23,433.85
Provision towards impairment of financial instruments other than provision for stage 3 assets	97.45	-

Provision for stage 3 assets

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets

70. DRAW DOWN FROM RESERVES

The draw down from reserves was ₹ Nil.

71. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS

71.1 Concentration of deposits (for deposit taking NBFCs)

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total deposits of twenty largest depositors	11,139.38	7,992.67
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.78%	2.56%

71.2 Concentration of advances

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total advances to twenty largest borrowers	36,697.71	45,831.51
Percentage of advances to twenty largest borrowers to total advances of the NBFC	1.28%	1.59%

71.3 Concentration of exposures

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total exposure to twenty largest borrowers/customers	30,081.83	39,148.78
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	1.05%	1.35%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

71. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (Contd.)

71.4 Concentration of NPAs

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Exposure to top four NPA accounts	5,549.65	5,387.04

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

71.5 Sector-wise NPAs

S. No.	Sector	As at March 31, 2020	As at March 31, 2019
		Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME / Corporate borrowers	8.33%	9.24%
3	Services	-	-
4	Unsecured personal loans	11.59%	11.17%
5	Auto loans	-	
i)	Auto Loans	5.42%	11.63%
ii)	Two wheeler	8.12%	9.61%
6	Other personal loans		
i)	Consumer Durable	-	-
ii)	Pledged Jewel	4.37%	2.34%
7	Others	0.84%	1.94%

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

71.6 Movement of NPAs

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(i) Net NPAs to Net Advances (%)	4.23%	5.23%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	2,57,668.91	2,59,384.94
(b) Additions during the year	1,11,806.13	1,31,196.11
(c) Reductions during the year	1,43,181.31	1,32,912.14
(d) Closing balance	2,26,293.73	2,57,668.91

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

71. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (Contd.)

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(iii) Movement of Net NPAs		
(a) Opening balance	1,45,294.56	1,37,044.91
(b) Additions during the year	59,044.65	74,039.67
(c) Reductions during the year	87,720.62	65,790.02
(d) Closing balance	1,16,618.58	1,45,294.56
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	1,12,374.35	1,22,340.03
(b) Provisions made during the year	52,761.48	57,156.44
(c) Write-off / write-back of excess provisions	55,460.69	67,122.12
(d) Closing balance	1,09,675.14	1,12,374.35

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

71.7 Comparison between provisions required under IRACP and Impairment Allowances made under IND AS 109 as required vide Circular No. RBI/ 2019-20/ 170 dated March 13, 2020 issued by Reserve Bank of India

For the year ended March 31, 2020

(₹ in lacs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Standard	Stage 1	24,71,361.98	83,680.54	23,87,681.44	25,592.61	58,087.93
	Stage 2	1,67,996.84	11,043.90	1,56,952.94	7,216.78	3,827.12
Subtotal		**26,39,358.82**	**94,724.44**	**25,44,634.38**	**32,809.39**	**61,915.05**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,65,755.67	79,864.32	85,891.35	83,449.16	(3,584.84)
Doubtful - up to 1 year	Stage 3	46,409.56	23,351.06	23,058.50	39,213.69	(15,862.63)
1 to 3 years	Stage 3	14,128.49	6,459.77	7,668.73	13,025.51	(6,565.74)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**60,538.05**	**29,810.82**	**30,727.23**	**52,239.20**	**(22,428.37)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**2,26,293.73**	**1,09,675.14**	**1,16,618.58**	**1,35,688.35**	**(26,013.21)**
Total	**Stage 1**	24,71,361.98	83,680.54	23,87,681.44	25,592.61	58,087.93
	Stage 2	1,67,996.84	11,043.90	1,56,952.94	7,216.78	3,827.12
	Stage 3	2,26,293.73	1,09,675.14	1,16,618.58	1,35,688.35	(26,013.21)
	Total	**28,65,652.55**	**2,04,399.59**	**26,61,252.96**	**1,68,497.74**	**35,901.84**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

71. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (Contd.)

71.8 Disclosure as per the circular no DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by Reserve Bank of India on "COVID 19 regulatory package - Asset Classification and provisioning"

i Amounts in SMA/overdue categories where moratorium/deferement was extended in terms of paragraph 2 and 3 of the above circular

(₹ in lacs)

SMA category	Amount
SMA 0	1,23,292.19
SMA 1	2,87,621.77
SMA 2	34,125.15
Total	**4,45,039.10**

ii Respective amount where asset classification benefit is extended : ₹ 552,556.40 lacs

iii Provisions made during quarter ended March 31, 2020 in terms of paragraph 5 of the above circular :

The provision made by the Company as per the ECL model is more than the provision required as per IRAC norms which is inclusive of additional 5% provision of ₹ 22,251.96 lacs as per the above circular

iv Provisions adjusted against the respective accounting periods for slippages and residual provisions in terms of paragraph 6 of the above circular : Not applicable

The spread of SARS-CoV-2 virus (referred as 'COVID-19') across the globe and in India has contributed to a significant decline and volatility in global and Indian financial markets and a shrink in the economic activities. The Government of India declared 21-day nation-wide lock-down to contain the pandemic COVID-19 with effect from March 25, 2020. The Government then extended the lockdown till May 31, 2020. However, the government relaxed the lock-down in certain essential areas including plying commercial vehicles for transportation of essential and non-essential goods across the country. In terms of COVID-19 regulatory package announced by Reserve Bank of India (RBI) on March 27, 2020 and in accordance with the Scheme approved by the Board of directors of the Company, the Company has extended the moratorium to the eligible borrowers for installments falling due between March 1, 2020 and May 31, 2020. Further, pursuant to RBI notification dated May 23, 2020, the moratorium is given to eligible borrowers for a further period of three months upto August 31, 2020. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The staging of accounts as on March 31, 2020 with respect to assets which were overdue though standard and to whom moratorium has been granted is based on the days past due as on February 29, 2020 keeping it at standstill. Further, estimates and associated assumptions applied in preparing the financial statements, especially in respect of credit loss on loans, are based on historical experience and other emerging/ forward looking factors including those arising on account of the COVID-19 pandemic.

The Company has used relevant indicators of moratorium, considering various measures taken by Government and other authorities along with an estimation of potential stress on probability of defaults and loss given defaults due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit loss on loans, including on account of potential macro economic conditions. Based on such assessment, the Company has made additional expected credit loss provision of ₹ 42,603.67 lacs on account of COVID-19 impact in the financial statement. The impairment loss provided for on account of COVID-19 pandemic is based on the assessment of current situation and the actual impairment loss could be different due to uncertainty over duration of pandemic and restoration of normalcy.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

72. OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

73. OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

74. CUSTOMER COMPLAINTS

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
(a)	Number of complaints pending at the beginning of the year	20	223
(b)	Number of complaints received during the year	2,521	3,396
(c)	Number of complaints redressed during the year	2,516	3,599
(d)	Number of complaints pending at the end of the year	25	20

75. AUCTION DETAILS

The Company Auctioned 1,799 loan accounts (March 31,2019: 3,304 accounts) during the financial year and the outstanding dues on these loan accounts were ₹ 313.65 lacs (March 31, 2019: ₹ 1,077.39 lacs) till the respective dates of auction. The company realised ₹ 306.51 lacs (March 31, 2019 : ₹ 1,042.24 lacs) on auctioning of gold jewellery taken as security on these loans. The company confirms that none of its sister concerns participated in the above auctions.

76. PENALTIES:

No penalties have been levied by any regulator on the Company.

77. RESTRUCTURED ACCOUNTS

Restructured Accounts : Nil (March 31, 2019: Nil)

78. DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR ENDED MARCH 31, 2020

Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 March, 2012

Instances of fraud for the year ended March 31, 2020:

(₹ in lacs)

Particulars		Less than ₹ 1 Lac		₹ 1 lacs to ₹ 25 Lacs		Greater than ₹ 25 lacs		Total	
		Number	Value	Number	Value	Number	Value	Number	Value
A)	**Person involved**								
	Staff	-	-	-	-	-	-	-	-
	Staff & Customer	-	-	7	25.50	-	-	7	25.50
	Customer	-	-	1	11.00	-	-	1	11.00
	Customer & Outsider	-	-	-	-	-	-	-	-
	Staff, Customer & Outsider	-	-	-	-	-	-	-	-
Total		**-**	**-**	**8**	**36.50**	**-**	**-**	**8**	**36.50**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

78. DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lacs)

Particulars	Less than ₹ 1 Lac		₹ 1 lacs to ₹ 25 Lacs		Greater than ₹ 25 lacs		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	7	25.50	-	-	7	25.50
Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	-	-	1	11.00	-	-	1	11.00
Total	**-**	**-**	**8**	**36.50**	**-**	**-**	**8**	**36.50**

"- "represents Nil

79. ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2020

(₹ in lacs)

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3 months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	9,781.80	10,148.78	11,456.95	32,897.45	57,201.65	2,21,190.03	58,530.14	-	4,01,206.80
Advances	1,34,634.65	92,295.93	1,33,812.50	4,02,934.02	6,42,051.49	9,22,596.53	2,21,426.10	1,11,501.74	26,61,252.96
Investments	582.85	-	12,310.74	8.57	26,447.95	-	8,100.00	25,963.86	73,413.97
Borrowings	67,930.59	81,656.53	96,664.08	1,72,021.24	5,77,766.07	8,34,338.78	84,412.75	587.09	19,15,377.12
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

As at March 31, 2019

(₹ in lacs)

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3 months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	12,444.77	10,967.57	11,039.25	27,697.66	50,850.49	1,62,052.31	36,888.56	-	3,11,940.61
Advances	1,48,235.68	1,13,446.88	1,15,257.82	3,73,781.32	6,20,218.44	8,92,286.87	2,45,507.61	1,90,176.31	26,98,910.93
Investments	20,647.50	-	310.74	8.57	18,043.82	12,000.00	8,100.00	27,854.67	86,965.30
Borrowings	1,76,900.56	88,473.91	1,77,455.21	1,84,383.30	3,77,771.13	8,15,459.17	1,24,995.46	(4,333.94)	19,41,104.80
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	7,103.45	-	-	-	7,103.45

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

80. PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to confirm to current year's classification.

As per our report of even date

For G D Apte & Co
Chartered Accountants
Firm Registration No. 100515W

Anagha M. Nanivadekar
Partner
Membership No. 121007
Pune, June 11, 2020

Place: Chennai
Date: June 11, 2020

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarthi
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

As required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Schedule to the Balance Sheet

(₹ in lacs)

	Particulars	As at March 31, 2020	
	Liabilities side :		
(1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**	**Amount outstanding**	**Amount overdue**
	(a) Debenture : Secured	4,46,827.65	-
	: Unsecured	-	-
	(b) Deferred Credits		
	(c) Term Loans	8,53,174.16	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	11,164.33	-
	(f) Public Deposits	4,01,206.80	-
	(g) Other Loans - Subordinated debts	23,923.91	-
	- Cash Credit/WCDL	2,02,526.88	-
	- Securitisation Loan	3,77,760.19	-

(₹ in lacs)

(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**	**Amount outstanding**	**Amount overdue**
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	4,01,206.80	-

Assets side :

(₹ in lacs)

(3)	**Break-up of loans and advances including bills receivables (other than those included in (4) below):**	**Amount outstanding**
	(a) Secured	22,66,132.55
	(b) Unsecured	3,95,120.41

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lacs)

(4)		Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	Amount outstanding
	(i)	Lease assets including lease rentals under sundry debtors :	
		(a) Financial lease	-
		(b) Operating lease	-
	(ii)	Stock on hire including hire charges under sundry debtors :	
		(a) Assets on hire	-
		(b) Repossessed Assets	-
	(iii)	Other loans counting towards asset financing activities :	
		(a) Loans where assets have been repossessed	-
		(b) Loans other than (a) above	-
€	The Company has not furnished the asset financing activities details under loans and advances as the RBI has merged asset finance companies, loan companies and investment companies vide its circular number DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019.		

(₹ in lacs)

(5)		Break-up of investments :	Amount outstanding
	Current investments :		
	1.	Quoted :	
	(i)	Shares : (a) Equity	-
		(b) Preference	-
	(ii)	Debenture and bonds	-
	(iii)	Units of mutual funds	302.08
	(iv)	Government securities	8,406.38
	(v)	Others (Please specify)	
		Treasury Bills	26,447.95
	2.	Unquoted :	
	(i)	Shares: (a) Equity	-
		(b) Preference	-
	(ii)	Debentures and bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government securities	-
	(v)	Others (Please specify)	
		(a) Debentures	-
		(b) Mutual Funds	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lacs)

(5)	Break-up of investments :	Amount outstanding
	Long term investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	8,917.14
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	12,612.51
	(v) Others (Please specify)	-
	2. Unquoted :	
	(i) Shares: (a) Equity	16,727.91
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	-
	(v) Others -Venture capital fund	-
	Investment in PTC	-
	Certificate of deposits	-
	Pass through certificates (unquoted)	-
	Investment in subordinated debts	-

(₹ in lacs)

(6)	Borrower group-wise classification of assets, financed as in (3) and (4) above : Please see note 2 below		
	Category	Amount (Net of provisions)	
		Secured	Unsecured
	1. Related Parties **		
	(a) Subsidiary	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	22,66,132.55	3,95,120.41

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lacs)

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below

Category	Market Value / Break up or fair value or NAV*	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiary #	16,727.91	16,727.91
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	56,686.06	56,686.06
Total	**73,413.97**	**73,413.97**

* Disclosure is made in respect of available information.

** As per Indian Accounting Standard issued by MCA (Please see note 3)

The Investment in Subsidiary is recorded at cost.

(₹ in lacs)

(8) Other information

Particulars	Amount
(i) Gross non-performing assets **	2,26,293.73
(a) Related parties	-
(b) Other than related parties	2,26,293.73
(ii) Net non-performing assets **	1,16,618.58
(a) Related parties	-
(b) Other than related parties	1,16,618.58
(iii) Assets acquired in satisfaction of debt	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

** NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes :

1. As defined in point xxvi of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

FORM AOC-1

(Pursuant to first proviso to sub- section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries

Part A: Subsidiaries

(₹ in lacs)

Sr. No.	Particulars	Shriram Housing Finance Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
3	Capital	21,416.00
4	Reserves	29,885.27
5	Total assets	2,49,926.78
6	Total liabilities	1,98,625.52
7	Investment included in total assets	15,632.11
8	Turnover	36,289.10
9	Profit before taxation	6,530.95
10	Provision for taxation	1,879.05
11	Profit after taxation	4,651.90
12	Dividend including dividend distribution tax	-
13	% of shareholding	77.25%

INDEPENDENT AUDITOR'S REPORT

The Members of Shriram City Union Finance Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying consolidated financial statements of Shriram City Union Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

3. Emphasis of Matter

Attention is invited to the Note No. 70 included in the financial statements:

i. In accordance with the Board approved moratorium policy relating to COVID-19 - Regulatory Package announced by Reserve Bank of India (RBI), the Group has granted moratorium up to three months on the payment of instalments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers and has continued recognition of interest. In view of the management, this relaxation does not trigger any significant increase in credit risk.

ii. The provision in respect of expected credit losses on loans and advances consequent to COVID 19 pandemic has been made on the basis of estimation of probable defaults and future business estimates. These estimates would be periodically reviewed based on the future business scenario. However, actual results are uncertain and could be different from such estimates.

Our opinion is not modified in respect of the above matters.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We did not audit the financial statements of the subsidiary, Shriram Housing Finance Limited as at and for the year ended on March 31, 2020, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our identification and reporting of the Key Audit Matters, in so far as it relates to the subsidiary, is based solely on the report of the other auditor.

INDEPENDENT AUDITOR'S REPORT (Contd.)

We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment and Write-offs** The Recognition and Measurement of Impairment and Write-off of Loans and Advances involves estimates, management judgements and appropriate processing of information from the IT systems because of which the same has been identified as a key audit matter.	Our key audit procedures included: ● We test checked the computation of the Probable default (PD) which denotes the statistical pattern of occurrence of defaults in individual accounts over a period of five years. ● We also test checked the computation of the ratio of Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. ● We examined the computation of Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. ● We reviewed the changes made by the management in PD and LGD on the background of COVID 19 outbreak and additional ECL provisions made on the basis of above revisions. ● We reviewed the Internal financial controls over data extraction and data validation from the ERP system controls over data extraction and data validation from the ERP system for computation of PD and LGD with the participation of our internal IT expert. ● We performed analytical procedures for ascertaining of reasonableness of Impairment provisions. ● We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written off.
2	**Accuracy of Recognition, measurement, presentation and disclosures of Leases and other related balances in view of adoption of Ind AS 116 "leases", in respect of a subsidiary:** The application of the new lease accounting standard involves certain key judgments relating to assessment of whether a contract contains a lease and allocation of the consideration to the lease component on the basis of their relative standalone prices. The company has applied Ind AS 116 using the modified retrospective method w.e.f. 1st April, 2019. The accounting policy adopted by the company is disclosed in Notes to financial statements.	**Principal Audit Procedures by the other auditor:** We have assessed the Company's process to identify the impact of adoption of the new lease accounting standard. Our audit approach consisted of following substantive audit procedures: ● Evaluated the design of internal controls relating to implementation of the new lease accounting standard ● Reviewed the changes made to the accounting policy of the company to be in accordance with the requirements of Ind AS 116. ● Analyzed the terms and conditions of various contracts entered by the company in order to classify it under the lease contract in accordance with Ind AS 116. ● Reviewed the terms and conditions of the lease contracts based on which lease contract were classified into various types of leases such as finance lease, operating lease, short term, low value lease etc. for proper classification and recognition of lease contracts. ● Verified the various inputs such as discounting rate, lease terms i.e. period of lease, lease payments in order to ascertain the correctness of initial recognition of "right of use assets" and "lease liabilities". ● Verified the subsequent measurement of Right of use assets and lease liability; to ensure whether Right of use asset is depreciated from the date of commencement of lease to the earlier of the end of useful life of the right of use asset or end of the lease term. ● Lease liability is measured correctly by using discount rate by accounting for interest on lease liability, lease payments made and adjustments on account of any reassessment or modification to lease contracts, We have verified that the disclosures made in the financial statements as per the requirements of Ind AS 116.

INDEPENDENT AUDITOR'S REPORT (Contd.)

5. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Director's Report and Corporate Governance Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding company and the subsidiary and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Holding Company's and the subsidiary's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding company and/or the subsidiary or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of those companies.

7. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and/or the subsidiary to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and/or the subsidiary to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Holding Company and the subsidiary to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Other Matters

a. We did not audit the financial statements of the subsidiary, Shriram Housing Finance Limited whose financial statements reflect total assets of Rs. 2,49,810 lakhs as at March 31, 2020, total revenue of Rs. 36,600 lakhs, Group's share of total net profit after tax of Rs. 4,668 lakhs and net cash inflows of Rs. 13,423 lakhs for the year ended on March 31, 2020 as considered in the Consolidated Financial Statements, which have been audited by its independent auditor. These financial statements have been audited by the other auditor

INDEPENDENT AUDITOR'S REPORT (Contd.)

whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

b. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

9. Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure to this report.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and the subsidiary to its directors during the year is in accordance with the provisions of section 197 (16) of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 44 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2020.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2020.

For G. D. Apte & Co
Chartered Accountants
ICAI Firm registration number: 100515W
UDIN:20121007AAAAAS6644

Anagha M. Nanivadekar
Partner
Membership No.: 121 007
Pune, June 11, 2020

ANNEXURE REFERRED TO IN PARAGRAPH 9 (F) TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHRIRAM CITY UNION FINANCE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited (hereinafter referred to as "Holding Company") as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Holding Company and its subsidiary, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

ANNEXURE (Contd.)

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matter paragraph, the Holding Company and its Subsidiary, which are companies incorporated in India, have in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTER

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the subsidiary, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For G. D. Apte & Co
Chartered Accountants
ICAI Firm registration number: 100515W
UDIN:20121007AAAAAS6644

Anagha M. Nanivadekar
Partner
Membership No.: 121 007
Pune, June 11, 2020

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2020

(₹ in lacs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1 Financial Assets			
Cash and cash equivalents	9	2,24,053.78	99,584.06
Bank balance other than above	10	97,859.03	30,419.46
Receivables			
(I) Trade Receivables	11	89.76	-
(II) Other than Trade Receivables	11	0.65	4.07
Loans	12	28,60,101.36	28,81,075.06
Investments	13	72,318.17	92,092.40
Other financial assets	14	11,601.04	3,520.10
2 Non-Financial Assets			
Current tax assets (net)	39	15,136.41	5,629.57
Deferred tax assets (net)	39	5,072.77	4,840.74
Property, plant and equipment	15	7,790.02	8,622.48
Intangible Assets	16	768.63	487.40
Right of Use Assets	17	16,578.78	-
Other Non-Financial Assets	18	17,524.27	15,676.45
Total Assets		**33,28,894.66**	**31,41,951.79**
II LIABILITIES AND EQUITY			
1 Financial Liabilities			
Derivative financial instruments	19	-	297.39
Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	20	8,096.32	6,535.73
Debt securities	21	4,85,324.94	4,26,704.75
Borrowings (other than debt securities)	22	15,99,030.53	16,25,015.74
Deposits	23	4,01,206.80	3,11,940.61
Subordinated liabilities	24	23,923.91	65,370.95
Other Financial liabilities	25	49,945.42	32,673.91
2 Non-Financial Liabilities			
Provisions	26	4,115.46	2,664.40
Deferred tax liabilities	39	886.48	117.23
Other non-financial liabilities	27	2,379.14	1,646.51
Total Liabilities		**25,74,909.00**	**24,72,967.22**
3 Equity			
Equity share capital	28	6,600.29	6,599.23
Other equity	29	7,35,755.92	6,51,830.49
Equity attributable to equity holders of the parent		**7,42,356.21**	**6,58,429.72**
Non-Controlling interest		11,629.45	10,554.85
Total Equity		**7,53,985.66**	**6,68,984.57**
Total Liabilities and Equity		**33,28,894.66**	**31,41,951.79**

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date

For G D Apte & Co
Chartered Accountants
Firm Registration No. 100515W

Anagha M. Nanivadekar
Partner
Membership No. 121007
Pune, June 11, 2020

Place: Chennai
Date: June 11, 2020

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarthi
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
REVENUE FROM OPERATIONS			
(i) Interest income	30	5,97,482.90	5,93,428.12
(ii) Dividend income		171.21	166.76
(iii) Fee and commission income	31	1,353.43	1,131.56
(iv) Net gain on fair value changes	32	1,080.88	1,178.75
(v) Net gain on derecognition of financial instruments under amortised cost category		7,706.75	-
(vi) Bad debts recovery		14,823.11	7,984.01
(vii) Other Operating income		665.98	580.19
I Total revenue from operations		**6,23,284.26**	**6,04,469.39**
II Other income	33	645.60	290.99
III Total income (I+II)		**6,23,929.86**	**6,04,760.38**
EXPENSES			
(i) Finance cost	34	2,30,302.30	2,11,214.62
(ii) Net loss on derecognition of financial instruments under amortised cost category		-	1,691.26
(iii) Fees and commission expenses		13,509.92	15,798.26
(iv) Impairment on financial instruments	35	13,106.41	11,669.22
(v) Bad Debts Written Off		77,823.82	65,198.10
(vi) Employee benefit expenses	36	91,137.37	89,683.31
(vii) Depreciation, amortisation and impairment	37	8,958.28	3,352.51
(viii) Royalty		6,774.69	6,437.45
(ix) Professional Charges		13,228.05	12,300.54
(x) Other expenses	38	28,440.60	32,876.10
IV Total expenses		**4,83,281.44**	**4,50,221.37**
V Profit/(loss) before exceptional items and tax (III - IV)		1,40,648.42	1,54,539.01
VI Exceptional items		-	-
VII Profit/(loss) before tax (V- VI)		1,40,648.42	1,54,539.01
VIII Tax expense:			
(1) Current tax	39	35,661.16	49,544.09
(2) Income tax of the earlier years	39	1,325.99	-
(3) Deferred tax	39	340.01	4,442.23
IX Profit/(loss) for the period (VII-VIII)		**1,03,321.26**	**1,00,552.69**
X Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(331.11)	(1,315.85)
Gain/(Loss) on Fair valuation of quoted investments in equity shares		(664.10)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		(112.75)	(461.23)
Subtotal (A)		**(882.46)**	**(854.62)**
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		**-**	**-**
Other comprehensive income (A+B)		**(882.46)**	**(854.62)**
XI Total Comprehensive Income for the year (IX+ X)		**1,02,438.80**	**99,698.07**
XII Profit/ (Loss) for the period attributable to			
- Owners of the Company		**1,02,262.95**	**1,00,173.93**
- Non - Controlling Interests		**1,058.31**	**378.76**
XIII Other Comprehensive Income/ (Loss) for the period attributable to			
- Owners of the Company		**(883.99)**	**(868.14)**
- Non - Controlling Interests		**1.53**	**13.52**
XIV Total Comprehensive Income/ (Loss) for the period attributable to			
- Owners of the Company		**1,01,378.96**	**99,305.79**
- Non - Controlling Interests		**1,059.84**	**392.28**
XV Earnings per equity share			
Basic (₹)	40	154.95	151.83
Diluted (₹)	40	154.92	151.78

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date

For G D Apte & Co
Chartered Accountants
Firm Registration No. 100515W

Anagha M. Nanivadekar
Partner
Membership No. 121007
Pune, June 11, 2020

Place: Chennai
Date: June 11, 2020

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarthi
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	1,40,648.42	1,54,539.01
Adjustments for :		
Depreciation, amortisation and impairment	8,958.27	3,352.04
(Profit)/Loss on sale of fixed assets (net)	44.85	73.14
Bad Debts Written Off	77,823.81	65,198.09
Impairment of financial instruments	13,106.41	11,669.18
Premium on Govt Securities	123.94	123.60
Interest on Lease Liabilities	1,735.64	-
Dividend Income	(171.21)	(166.76)
Net (Gain)/Loss on sale of investments and Fair value changes of Investment/ Derivative/ Others	(1,048.93)	(1,200.07)
Net (gain)/Loss of derecognition of financial instruments under amortised cost category	(7,373.39)	2,609.56
Operating profit before working capital changes	**2,33,847.81**	**2,36,197.81**
Movements in Working capital:		
(Increase) / decrease in loans and advances	(65,719.10)	(2,07,531.88)
(Increase) / decrease in other non financial assets	(2,063.44)	(4,830.18)
(Increase) / decrease in other financial assets	(1,535.24)	(213.43)
(Increase) / decrease in Bank Deposits	(67,372.60)	(10,126.70)
Increase / (decrease) in other financial liabilities	239.48	9,340.77
Increase / (decrease) in other non financial liabilities	732.94	(125.10)
Increase / (decrease) in other Payables	543.44	(1,469.09)
Increase / (decrease) in other Provisions	974.35	(1,229.63)
(Increase) / decrease in receivables	(93.12)	-
(Increase) / decrease in Derivative Financial Instruments	(379.00)	-
(Increase) / decrease in investments - T Bills (SLR Investment)	(8,402.88)	8,050.49
Cash generated from operations	**90,772.64**	**28,063.06**
Direct taxes paid (net of refunds)	(46,184.42)	(51,679.93)
Net Cash from/(used in) operating activities (A)	**44,588.22**	**(23,616.87)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(2,860.06)	(3,817.52)
Sale of Investment in Mutual Funds	20,235.50	(19,930.62)
Sale of Investment in Shares	7,788.46	(12,077.80)
Capital advance for assets	(4.45)	(19.40)
Proceeds from sale of fixed assets	48.65	52.14
Dividend Income	171.21	166.76
Proceeds from sale of Security Deposits	530.52	444.66
Net Cash from/(used in) investing activities (B)	**25,909.83**	**(35,181.77)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	3.44	9.29
Increase/(Decrease) of debt securities	59,634.49	1,30,121.55
Increase/(Decrease) of Borrowings	(29,784.77)	56,223.82
Increase/(Decrease) of Deposits	89,266.19	2,380.79
Increase/(Decrease) of Subordinated liabilities	(41,447.04)	(49,906.71)
Payment of Lease Liabilities	(6,197.24)	-
Dividend paid on equity shares	(14,518.98)	(11,875.90)
Tax on Dividend Paid	(2,984.42)	(2,441.00)
Net Cash from/(used in) financing activities (C)	**53,971.67**	**1,24,511.84**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,24,469.72	65,713.20
Cash and cash equivalents at the beginning of the year	99,584.06	33,870.86
Cash and cash equivalents at the end of the year	**2,24,053.78**	**99,584.06**

(₹ in lacs)

Components of cash and cash equivalents	Year ended March 31, 2020	Year ended March 31, 2019
Cash on hand	888.66	8,387.55
Balances with Banks		
- in current accounts	28,228.92	49,451.66
- in deposit accounts having original maturity less than three months	1,94,936.20	41,744.85
Total	**2,24,053.78**	**99,584.06**

Notes

1) The above cash- flow statement have been prepared under the indirect method set out in Indian Accounting Standard (IND AS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.

2) Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

3) All figures in brackets indicate cash outflow.

See accompanying notes forming part of the financial statements.

As per our report of even date

For G D Apte & Co
Chartered Accountants
Firm Registration No. 100515W

Anagha M. Nanivadekar
Partner
Membership No. 121007
Pune, June 11, 2020

Place: Chennai
Date: June 11, 2020

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarthi
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

A. EQUITY SHARE CAPITAL

	No. of shares	₹ In lacs
As at April 1, 2018	6,59,65,762	6,596.58
Issued during the year	26,555	2.65
As at March 31, 2019	**6,59,92,317**	**6,599.23**
Issued during the year	10,605	1.06
As at March 31, 2020	**6,60,02,922**	**6,600.29**

B. OTHER EQUITY

Statement of changes in Equity for the year ended March 31, 2020

(₹ in lacs)

Particulars	Reserves and Surplus										Non Controlling Interest	Total
	Statutory reserve	Share options outstanding	Securities premium account	Debenture redemption reserve	Capital Redemption Reserve	General Reserve	Capital reserve	Retained Earnings	Other Comprehensive Income	Total Other Equity		
Balance as at April 1, 2018	**90,332.19**	**125.75**	**1,84,834.52**	**4,486.03**	**2,328.98**	**73,341.39**	**7,871.88**	**2,03,321.75**	**185.02**	**5,66,827.51**	**10,160.34**	**5,76,987.85**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	1,00,173.93	-	1,00,173.93	378.76	1,00,552.69
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	(1,336.14)	(1,336.14)	20.29	(1,315.85)
Transferred from Retained Earnings	20,241.10	-	-	366.14		9,990.00	-	(30,597.24)	-	-	-	-
Employee Stock Options Expenses	-	0.24	-	-	-	-	-	6.59	-	6.83	2.23	9.06
Amount transferred to General Reserve on Redemption of Non Convertible Debentures	-	-	-	(2,007.88)		2,007.88	-	-	-	-	-	-
Share Premium received during the year on exercise of ESOPs	-	-	66.77	-	-	-	-	-	-	66.77	-	66.77
Adjustment on Exercise of ESOPs	-	(60.13)	-	-	-	-	-	-	-	(60.13)	-	(60.13)
Final Equity Dividend FY 2017-18	-	-	-	-	-	-	-	(7,916.23)	-	(7,916.23)	-	(7,916.23)
Tax on Final Equity Dividend FY 2017-18	-	-	-	-	-	-	-	(1,627.20)	-	(1,627.20)	-	(1,627.20)
Interim Dividend FY 2018-2019	-	-	-	-	-	-	-	(3,959.06)	-	(3,959.06)	-	(3,959.06)
Tax on Interim Dividend FY 2018-19	-	-	-	-	-	-	-	(813.80)	-	(813.80)	-	(813.80)
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	468.00	468.00	(6.77)	461.23
Balance as at March 31, 2019	**1,10,573.29**	**65.86**	**1,84,901.29**	**2,844.29**	**2,328.98**	**85,339.27**	**7,871.88**	**2,58,588.75**	**(683.12)**	**6,51,830.49**	**10,554.85**	**6,62,385.34**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	1,02,262.95	-	1,02,262.95	1,058.31	1,03,321.26
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	(333.27)	(333.27)	-	(333.27)
Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	(664.10)	(664.10)	-	(664.10)
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan and Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	113.38	113.38	-	113.38
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	1.53	1.53

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lacs)

Particulars	Reserves and Surplus										Non Controlling Interest	Total
	Statutory reserve	Share options outstanding	Securities premium account	Debenture redemption reserve	Capital Redemption Reserve	General Reserve	Capital reserve	Retained Earnings	Other Comprehensive Income	Total Other Equity		
Transferred from Retained Earnings upto August 16, 2019	-	-	-	2,930.90	-	-	-	(2,930.90)	-	-	-	-
Amount transferred to General Reserve on Redemption of Non Convertible Debentures upto August 16, 2019	-	-	-	(2,911.54)	-	2,911.54	-	-	-	-	-	-
Amount transferred to General Reserve upon dispensation of requirement of DRR by MCA vide notification dated August 16 ,2019	-	-	-	(2,863.65)	-	2,863.65	-	-	-	-	-	-
Share Premium received during the year on exercise of ESOPs	-	-	26.67	-	-	-	-	-	-	26.67	-	26.67
Employee Stock option expenses	-	47.22	-	-	-	-	-	-	-	47.22	-	47.22
Adjustment on Exercise of ESOPs/Employee Stock option expenses	-	(24.02)	-	-	-	-	-	-	-	(24.02)	14.76	(9.26)
Final Equity Dividend FY 2018-19	-	-	-	-	-	-	-	(10,559.22)	-	(10,559.22)	-	(10,559.22)
Tax on Final Equity Dividend FY 2018-19	-	-	-	-	-	-	-	(2,170.48)	-	(2,170.48)	-	(2,170.48)
Interim Equity Dividend FY 2019-20	-	-	-	-	-	-	-	(3,959.76)	-	(3,959.76)	-	(3,959.76)
Tax on Interim Equity Dividend FY 2019-20	-	-	-	-	-	-	-	(813.94)	-	(813.94)	-	(813.94)
Transfer to Statutory Reserve	20,740.58	-	-	-	-	-	-	(20,740.58)	-	-	-	-
Transfer to General reserve	-	-	-	-	-	10,010.00	-	(10,010.00)	-	-	-	-
Balance as at March 31, 2020	**1,31,313.87**	**89.06**	**1,84,927.96**	**-**	**2,328.98**	**1,01,124.46**	**7,871.88**	**3,09,666.82**	**(1,567.11)**	**7,35,755.92**	**11,629.45**	**7,47,385.37**

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date

For G D Apte & Co
Chartered Accountants
Firm Registration No. 100515W

Anagha M. Nanivadekar
Partner
Membership No. 121007
Pune, June 11, 2020

Place: Chennai
Date: June 11, 2020

For and on behalf of the Board of Directors of
Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarthi
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. CORPORATE INFORMATION

Shriram City Union Finance Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing small and medium enterprises, two-wheelers and pledged jewels. It also provides personal loans and auto loans. The Company is a Deposit Accepting Non- Banking Finance Company (NBFC) registered as a Loan Company with the Reserve Bank of India (RBI) and Ministry of Corporate Affairs. The registration details are as follows:

RBI 07-00458

Corporate Identity Number (CIN)
L65191TN1986PLC012840

Shriram Capital Limited is the promoter of the Company.

The registered office of the Company is at No.123, Angappa Naicken Street, Chennai – 600 001. The principal place of business is at No.144, Santhome High Road, Mylapore, Chennai – 600 004. The financial statements of the Group for the year ended March 31, 2020 were approved for issue in accordance with the resolution of the Board of Directors on June 11, 2020.

2. BASIS OF PREPARATION

The Consolidated Financial Statements relates to M/s. Shriram City Union Finance Limited (the "Company") and its subsidiary (together hereinafter referred to as "Group"). The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable on an accrual basis.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting policies have been consistently applied to all periods presented, unless otherwise stated except where a newly – issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Group has applied Ind AS 116 using the modified retrospective approach, under which there is no impact as at April 1, 2019 consequent to the transition and the comparative information has not been restated.

Except for the above, the Group has consistently applied accounting policies while preparing these Consolidated Financial Statements.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 7 - Significant accounting judgements, estimates and assumptions.

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lacs, except when otherwise indicated.

3. BASIS OF CONSOLIDATION

(i) The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2020 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The consolidated financial statements of the Group have been prepared in accordance with the Ind AS 110- 'Consolidated Financial Statements' as per the

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Act and the other relevant provisions of the Act.

(iii) The Consolidated Financial Statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.

b) The excess of cost to the Company of its investments in the subsidiary over its share of equity of the subsidiary, at the dates on which the investments in the subsidiary is made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiary as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the Consolidated Financial Statements.

c) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets and liabilities as of the date of disposal is recognised in the Statement of Profit and Loss as profit or loss on disposal of subsidiary.

d) Non-controlling interest, if any, in the net assets of consolidated subsidiary consists of the amount of equity attributable to the non-controlling shareholders at the dates on which investments are made by the Company in the subsidiary and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(iv) The subsidiary considered in the Consolidated Financial Statements are as below

Name of the subsidiary	Country of incorporation	Share of ownership interest as at March 31, 2020
Shriram Housing Finance Limited (SHFL)	India	77.25%

4. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 ("the Act"). The Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Group and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

5. STATEMENT OF COMPLIANCE

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the other relevant provisions of the Act.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

i. Classification of financial instruments

a. Financial Assets

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost (amortised cost)

2. Financial assets to be measured at fair value through other comprehensive income (FVTOCI)

3. Financial assets to be measured at fair value through profit or loss account (FVTPL)

The classification depends on the contractual terms of the financial assets, cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.
- At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassesses its business models each reporting period to determine whether the business model/(s) have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business model.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

b. Financial Liabilities

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

ii. Financial assets measured at amortised cost

Financial assets are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

Financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

These financial assets comprise bank balances, Loans, investments and other financial assets.

iii. Financial assets measured at fair value through other comprehensive income

Financial Assets other than equity instruments: These financial assets are measured at fair value through other comprehensive income where they have:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the consolidated statement of profit and loss. As at the reporting date the Group does not have any financial instrument other than equity shares measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

iv. Items at fair value through profit or loss

Financial assets which are not classified in any of the above categories are measured at FVTPL.

Items at fair value through profit or loss comprise:

a. Investments (including equity shares) held for trading;

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

b. Items specifically designated as fair value through profit or loss on initial recognition;

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date the Group does not have any financial instruments designated as measured at fair value through profit or loss.

c. Debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date the Group does not have any financial instruments measured at fair value through profit or loss.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the consolidated statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the consolidated statement of profit and loss as they arise.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Group has not designated any financial instruments as measured at fair value through profit or loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

v. Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Group undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

vi. Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

vii. Financial guarantees

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the consolidated statement of profit and loss.

- The premium is recognised in the consolidated statement of profit and loss on a straight-line basis over the life of the guarantee.

viii. Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition apart from the exceptional circumstances in which Group changes its business model for managing financial assets . Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities until year ended March 31, 2020.

ix. Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Group.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

i. The Group has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash

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flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

ii. The Group cannot sell or pledge the original asset other than as security to the eventual recipients

iii. The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the consolidated statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the consolidated statement of profit and loss as per Ind AS 109. Also, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date the Group does not have any financial liabilities which have been derecognised.

(x) Impairment of financial assets

Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on collective/ individual basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has grouped its loan portfolio into Gold Loan, Auto Loans, MSME Loans, Two Wheelers Loans, Personal Loans and Housing Loans.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Group may classify the financial asset in Stage 3 accordingly.

As required by RBI Circular reference no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020; where impairment allowance under Ind AS 109 is lower than the provisioning required as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc., the Group shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

Loan commitments:

When estimating expected credit loss for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Credit-impaired financial assets:

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

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c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts

The Group's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the consolidated statement of profit and loss, and the ECL provision. For this purpose, the Group estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the Group has not recognised any ECL in respect of financial guarantee based on estimate of expected cash flows.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the consolidated balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Group does not have any debt instruments measured at fair value through OCI.

The mechanics of ECL:

The Group calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

The above calculated PDs, EAD and LGDs are reviewed annually and changes in the forward looking estimates are analysed.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, assets under legal repossession processes are not recorded on the consolidated balance sheet.

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(xi) Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the consolidated statement of profit and loss.

(xii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in note 6.1(iii) to 6.1(vi)) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

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When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

6.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably.

(iii) Fees & Commission Income

Fees and commissions are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the consolidated statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Group does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Consolidated Statement of Profit and Loss.

(v) Recoveries of financial assets written off

The Group recognises income on recoveries of financial assets written off on realisation basis.

6.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the amortised cost of the financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Group are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the

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obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Group fully contributes all ascertained liabilities to The Trustees – SCUF Employees Group Gratuity Trust and Shriram Housing Finance Company Employees Group Gratuity Fund. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Group's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Consolidated Statement of Profit and Loss.

The Group presents the Provision for compensated absences under provisions in the Consolidated Balance Sheet.

(iii) Lease:

The Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. After the commencement date, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is also remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest on the lease liability is recognised in the consolidated statement of Profit & Loss except to the extent that it can be allocated to any Property, Plant & Equipment.

In the comparative period, leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the consolidated statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(iv) Other income and expenses

All Other income and expense are recognized in the period they occur.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid is charged to the consolidated statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the consolidated statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(vii) Dividends on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Group. A corresponding amount is recognised directly in equity.

6.4 Foreign currency translation

(i) Functional and presentational currency

The consolidated financial statements are presented in Indian Rupees which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Consolidated Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

6.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

6.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes (other than those subsequently recoverable from the tax authorities) and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Group
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years
Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	10 years	10 years
Electronic equipment	10 years	10 years
Office equipment	5 years	5 years
Refrigerator	10 years	10 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the consolidated statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the consolidated statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the consolidated Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Group's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the consolidated Statement of Profit and Loss when the asset is derecognised.

6.8 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the consolidated statement of profit and loss net of any reimbursement. As at reporting date, the Group does not have any such provisions where the effect of time value of money is material.

6.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are reviewed at each Balance Sheet date.

6.10 Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Contingent assets are reviewed at each Balance Sheet date.

6.11 Earning Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

7. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period and reported amounts of income and expenses for the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

7.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in *Note 6.1(x) Overview of ECL principles.*

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

7.7 Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

8. FIRST TIME ADOPTION OF IND AS 116 "LEASES"

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental borrowing rate at the date of initial application.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

9. CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	888.66	8,387.55
Balances with bank (of the nature of cash and cash equivalents)		
-Current Account	28,228.92	49,451.66
-Bank deposit with original maturity less than three months	1,94,936.20	41,744.85
Total	**2,24,053.78**	**99,584.06**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group and earn interest at the respective short-term deposit rates. The group has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above, and also includes deposits March 31, 2020: Nil (March 31, 2019: ₹ 1,723.10 lacs) towards SLR Debentures requirement.

10. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks		
Unclaimed dividend accounts	92.88	91.95
Bank deposits with original maturity for more than 3 months*	25,214.95	15,704.03
Balance with banks to the extent held as Margin Money or security against the borrowings, guarantees, other commitments.**	72,551.20	14,623.48
Total	**97,859.03**	**30,419.46**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits March 31, 2020: ₹ 20,181.02 lacs (March 31, 2019: ₹ 15,061.16 lacs) towards SLR requirement for Public Deposits Outstanding and includes deposits March 31, 2020: NIL (March 31, 2019: ₹ 500.48 lacs) as margin for foreign currency derivative contract and includes Deposit under lien for Bank Guarantee purpose to the extent for March 31, 2020: Rs 25 Lacs (March 31, 2019: ₹ 25 lacs) and also includes deposit under lien with bank pending completion of formalities relating to a borrower to the extent of March 31, 2020: ₹ 110 lacs (March 31, 2019: ₹ 110 lacs).

** Fixed Deposit is under lien to the extent of ₹ 647.50 Lacs marked in favour of IDBI Trusteeship Services Limited in respect to securitisation as cash collateral.

11. RECEIVABLES

(I) Trade Receivables

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables	93.12	-
Less: Impairment loss allowances	(3.36)	-
Total	**89.76**	**-**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

11. RECEIVABLES (Contd.)

(II) Other than Trade Receivables

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Other than Trade receivables	0.65	4.07
Total	**0.65**	**4.07**

No trade or other receivable are due from directors or other officers of the group either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member. No ECL is provided on other than trade receivable as the receivables are considered as good.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

(₹ in lacs)

Trade receivables days past due		Current	1-30 days past due	Total
ECL rate		**3.60%**	**3.60%**	
March 31, 2020	Estimated total gross carrying amount at default	64.12	29.00	93.12
	ECL - Simplified approach	(2.31)	(1.05)	(3.36)
	Net carrying amount	**61.81**	**27.95**	**89.76**
March 31, 2019	Estimated total gross carrying amount at default	-	-	-
	ECL - Simplified approach	-	-	-
	Net carrying amount	**-**	**-**	**-**

Reconciliation of impairment allowance on trade receivable

(₹ in lacs)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2019	-
Add: Addition during the year	(3.36)
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2020	**(3.36)**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

12. LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at March 31, 2020					As at March 31, 2019				
	At amortised Cost	At fair value			Total	At amortised Cost	At fair value			Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account			Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	
(A)										
i) Term loans	30,68,089.28	-	-	-	30,68,089.28	30,76,326.30	-	-	-	30,76,326.30
ii) Others	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	**30,68,089.28**	**-**	**-**	**-**	**30,68,089.28**	**30,76,326.30**	**-**	**-**	**-**	**30,76,326.30**
Less: Impairment loss allowance	2,07,987.92	-	-	-	2,07,987.92	1,95,251.24	-	-	-	1,95,251.24
Total (A) - Net	**28,60,101.36**	**-**	**-**	**-**	**28,60,101.36**	**28,81,075.06**	**-**	**-**	**-**	**28,81,075.06**
(B)										
i) Secured by tangible assets	26,38,889.75	-	-	-	26,38,889.75	23,89,038.62	-	-	-	23,89,038.62
ii) Unsecured	4,29,199.53	-	-	-	4,29,199.53	6,87,287.68	-	-	-	6,87,287.68
Total (B) - Gross	**30,68,089.28**	**-**	**-**	**-**	**30,68,089.28**	**30,76,326.30**	**-**	**-**	**-**	**30,76,326.30**
Less : Impairment loss allowance	2,07,987.92	-	-	-	2,07,987.92	1,95,251.24	-	-	-	1,95,251.24
Total (B) - Net	**28,60,101.36**	**-**	**-**	**-**	**28,60,101.36**	**28,81,075.06**	**-**	**-**	**-**	**28,81,075.06**
(C)										
Loans in India										
i) Public Sector	-	-	-	-	-	-	-	-	-	-
ii) Others										
Corporate	1,49,172.21	-	-	-	1,49,172.21	1,64,943.94	-	-	-	1,64,943.94
Retail	29,18,917.07	-	-	-	29,18,917.07	29,11,382.36	-	-	-	29,11,382.36
Total (C) - Gross	**30,68,089.28**	**-**	**-**	**-**	**30,68,089.28**	**30,76,326.30**	**-**	**-**	**-**	**30,76,326.30**
Less: Impairment loss allowance	2,07,987.92	-	-	-	2,07,987.92	1,95,251.24	-	-	-	1,95,251.24
Total (C) - Net	**28,60,101.36**	**-**	**-**	**-**	**28,60,101.36**	**28,81,075.06**	**-**	**-**	**-**	**28,81,075.06**
Loans outside India	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-
Total - Net	-	-	-	-	-	-	-	-	-	-
Total	**28,60,101.36**	**-**	**-**	**-**	**28,60,101.36**	**28,81,075.06**	**-**	**-**	**-**	**28,81,075.06**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

12. LOANS AND ADVANCES (Contd.)

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in note 48.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 48.2

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade								
Performing								
High grade	23,07,804.30	-	-	23,07,804.30	22,05,567.82	-	-	22,05,567.82
Standard grade	3,47,513.17	-	-	3,47,513.17	1,28,998.90	-	-	1,28,998.90
Sub-standard grade	-	1,46,597.84	-	1,46,597.84	-	3,90,397.90	-	3,90,397.90
Past due but not impaired	-	34,996.22	-	34,996.22	-	88,527.92	-	88,527.92
Non- performing	-	-	2,31,177.75	2,31,177.75	-	-	2,62,833.76	2,62,833.76
Total	**26,55,317.47**	**1,81,594.06**	**2,31,177.75**	**30,68,089.28**	**23,34,566.72**	**4,78,925.82**	**2,62,833.76**	**30,76,326.30**

An analysis of changes in the gross carrying amount, as follows:

(₹ in lacs)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**23,34,566.72**	**4,78,925.82**	**2,62,833.76**	**30,76,326.30**	**24,68,636.19**	**1,98,847.35**	**2,69,434.67**	**29,36,918.21**
New assets originated or purchased	22,97,603.68	47,053.11	22,918.36	23,67,575.14	23,64,784.99	85,714.79	22,330.12	24,72,829.90
Assets derecognised or repaid (excluding write offs)	(19,46,693.64)	(2,55,921.98)	(95,812.38)	(22,98,428.01)	(19,02,571.90)	(2,77,274.62)	(88,758.87)	(22,68,605.39)
Transfers to Stage 1	1,66,467.37	(1,61,884.99)	(4,582.38)	-	42,783.70	(24,851.71)	(17,931.99)	-
Transfers to Stage 2	(1,28,332.84)	1,32,775.89	(4,443.05)	-	(5,36,926.36)	5,39,857.34	(2,930.98)	-
Transfers to Stage 3	(66,710.16)	(52,595.87)	1,19,306.03	-	(97,588.87)	(39,821.54)	1,37,410.41	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(1,583.66)	(6,757.91)	(69,042.58)	(77,384.15)	(4,551.03)	(3,545.79)	(56,719.60)	(64,816.42)
Gross carrying amount closing balance	**26,55,317.47**	**1,81,594.06**	**2,31,177.75**	**30,68,089.28**	**23,34,566.72**	**4,78,925.82**	**2,62,833.76**	**30,76,326.30**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

12. LOANS AND ADVANCES (Contd.)

Reconciliation of ECL balance is given below:

(₹ in lacs)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**59,815.56**	**21,945.39**	**1,13,490.29**	**1,95,251.24**	**50,465.47**	**8,237.33**	**1,24,846.91**	**1,83,549.70**
New assets originated or purchased	50,341.42	2,418.81	6,613.36	59,373.60	43,070.37	5,484.02	8,588.79	57,143.18
Assets derecognised or repaid (excluding write offs)	(678.92)	(231.84)	(431.59)	(1,342.35)	(630.37)	(516.66)	(1,891.43)	(3,038.45)
Transfers to Stage 1	10,602.02	(8,679.21)	(1,922.81)	-	10,195.05	(1,430.62)	(8,764.43)	-
Transfers to Stage 2	(3,435.87)	5,346.35	(1,910.48)	-	(11,523.72)	12,827.36	(1,303.64)	-
Transfers to Stage 3	(2,044.77)	(3,002.15)	5,046.92	-	(2,395.92)	(2,273.46)	4,669.38	-
Impact on year end ECL of exposures transferred between stages during the year	(28,109.18)	307.44	59,891.34	32,089.60	(24,814.30)	3,163.20	44,064.31	22,413.21
Amounts written off	(1,583.67)	(6,757.91)	(69,042.59)	(77,384.17)	(4,551.03)	(3,545.78)	(56,719.59)	(64,816.40)
ECL allowance - closing balance	**84,906.59**	**11,346.88**	**1,11,734.44**	**2,07,987.92**	**59,815.56**	**21,945.39**	**1,13,490.29**	**1,95,251.24**

Out of loan balances written off during the year ₹ 77,384.17 lacs (March 31, 2019 ₹ 64,816.70 lacs), ₹ 66,980.85 Lacs (March 31, 2019 ₹ 52,304.02 lacs) respectively are subject to enforcement activity by the group.

13. INVESTMENTS

(₹ in lacs)

Particulars	Amortised Cost	At Fair value			Sub-total (At Fair Value)	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at Fair value through profit and loss account			
As at March 31, 2020							
i) Mutual funds	-	-	12,767.35	-	12,767.35	-	12,767.35
ii) Government securities	21,018.89	-	-	-	-	-	21,018.89
iii) Equity instruments	-	8,917.14	-	-	8,917.14	-	8,917.14
iv) Pass through certificates	-	1,840.73	-	-	1,840.73	-	1,840.73
v) Security Receipts	-	-	1,327.92	-	1,327.92	-	1,327.92
vi) Treasury Bills	26,447.95	-	-	-	-	-	26,447.95
Total Gross (A)	**47,466.84**	**10,757.87**	**14,095.27**	**-**	**24,853.14**	**-**	**72,319.98**
(i) Investments outside India	-	8,917.14	-	-	8,917.14	-	8,917.14
(ii) Investments in India	47,466.84	1,840.73	14,095.27	-	15,936.00	-	63,402.84
Total Gross (B)	**47,466.84**	**10,757.87**	**14,095.27**	**-**	**24,853.14**	**-**	**72,319.98**
Less : Allowance for impairment loss (C)	-	(1.81)	-	-	(1.81)	-	(1.81)
Total - Net D = (A) - (C)	**47,466.84**	**10,756.06**	**14,095.27**	**-**	**24,851.33**	**-**	**72,318.17**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

13. INVESTMENTS (Contd.)

(₹ in lacs)

Particulars	Amortised Cost	At Fair value			Sub-total (At Fair Value)	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at Fair value through profit and loss account			
As at March 31, 2019							
i) Mutual funds	-	-	36,389.75	-	36,389.75	-	36,389.75
ii) Government securities	21,142.83	-	-	-	-	-	21,142.83
iii) Equity instruments	-	-	10,684.01	-	10,684.01	-	10,684.01
iv) Pass through certificates	-	3,978.28	-	-	3,978.28	-	3,978.28
v) Security Receipts	-	-	1,858.44	-	1,858.44	-	1,858.44
vi) Treasury Bills	18,043.83	-	-	-	-	-	18,043.83
Total Gross (A)	**39,186.66**	**3,978.28**	**48,932.20**	**-**	**52,910.48**	**-**	**92,097.14**
(i) Investments Outside India	-	-	10,603.97	-	10,603.97	-	10,603.97
(ii) Investments in India	39,186.66	3,978.28	38,328.23	-	42,306.51	-	81,493.17
Total Gross (B)	**39,186.66**	**3,978.28**	**48,932.20**	**-**	**52,910.48**	**-**	**92,097.14**
Less : Allowance for impairment loss (C)	-	(4.74)	-	-	(4.74)	-	(4.74)
Total - Net D = (A) - (C)	**39,186.66**	**3,973.54**	**48,932.20**	**-**	**52,905.74**	**-**	**92,092.40**

More information regarding the valuation methodologies can be found in Note 47.7

The Group received dividend of ₹ 171.21 lacs (March 31, 2019: ₹ 166.76 lacs) from its FVTOCI securities (March 31, 2019: FVTPL), recorded as dividend income.

The Group has on June 30, 2019, reclassified its investments in Quoted Equity instruments held in Ceylinco Insurance PLC (carrying value as at the date of the transfer ₹ 10,603.97 lacs) from FVTPL to FVTOCI. The reclassification to FVTOCI is irrevocable and was necessitated since the group revised its business model on that date to hold these investments as a long term investment unlike the earlier business model of its disposal in near future. Accordingly, the fair value loss of ₹ 1,022.73 lacs till June 30, 2019, has been recorded through profit and loss and fair value loss of ₹ 664.10 lacs thereafter has been recorded through the other comprehensive income.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances . Details of the Group's internal grading system are explained in note 48.2.

(₹ in lacs)

Internal Grade Rating	As at March 31, 2020				As at March 31, 2019			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Performing								
High grade	70,479.25	-	-	70,479.25	88,118.86	-	-	88,118.86
Standard grade	1,840.73	-	-	1,840.73	3,978.28	-	-	3,978.28
Total	**72,319.98**	**-**	**-**	**72,319.98**	**92,097.14**	**-**	**-**	**92,097.14**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

13. INVESTMENTS (Contd.)

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	**92,097.14**	**-**	**-**	**92,097.14**	**67,231.33**	**-**	**-**	**67,231.33**
New assets originated or purchased	22,82,090.13	-	-	22,82,090.13	6,38,982.01	-	-	6,38,982.01
Assets derecognised or matured (excluding write-offs)	(23,00,088.05)	-	-	(23,00,088.05)	(6,15,177.26)	-	-	(6,15,177.26)
Amortisation of G-sec Premium	(123.94)	-	-	(123.94)	(123.60)	-	-	(123.60)
Change in fair value								
OCI	(664.10)	-	-	(664.10)	-	-	-	-
Profit & Loss	(991.20)	-	-	(991.20)	1,184.66	-	-	1,184.66
Closing balance	**72,319.98**	**-**	**-**	**72,319.98**	**92,097.14**	**-**	**-**	**92,097.14**

Reconciliation of ECL balance is given below:

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**4.74**	**-**	**-**	**4.74**	**19.88**	**-**	**-**	**19.88**
New assets originated or purchased	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Unwind of discount (recognised in interest income)	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	
Assets derecognised or matured (excluding write offs)	(2.52)	-	-	(2.52)	(9.46)	-	-	(9.46)
ECL assumption changes	(0.41)	-	-	(0.41)	(5.68)	-	-	(5.68)
Closing balance in ECL	**1.81**	**-**	**-**	**1.81**	**4.74**	**-**	**-**	**4.74**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

14. OTHER FINANCIAL ASSETS

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	2,335.64	2,191.84
Assignment receivable	7,050.53	1,306.61
Less: ECL on Assignment Receivable	(247.15)	-
Interest receivable on Pass through certificates	10.85	21.68
Less : Allowance for impairment against interest receivable on PTC	(0.01)	(0.03)
Net Lease Receivable	14.72	-
Less : ECL on Lease Receivable	(0.47)	-
Other receivables	2,436.93	-
Total	**11,601.04**	**3,520.10**

Reconciliation of impairment allowance

(₹ in lacs)

Particulars	Amount		
	Assignment Receivable	Net Lease Receivable	Interest receivable on PTC
Impairment allowance measured as per simplified approach			
Impairment allowance as per March 31, 2019	-	-	0.03
Add: Addition during the year	247.15	0.47	-
(Less): Reduction during the year	-	-	(0.02)
Impairment allowance as per March 31, 2020	**247.15**	**0.47**	**0.01**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

15. PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

Particulars	Land-Freehold	Building	Office equipment	Electrical Installation	Computer Equipment	Furniture & Fixtures	Vehicles	Leasehold Improvement	Total
Cost:									
As at April 1, 2018	**2.59**	**12.94**	**3,076.83**	**3,037.57**	**7,296.52**	**2,446.54**	**57.27**	**11,837.62**	**27,767.88**
Additions	-	-	315.37	596.31	919.78	236.99	0.44	1,346.22	3,415.11
Disposals	-	-	156.63	112.32	553.94	18.95	0.36	91.22	933.42
As at March 31, 2019	**2.59**	**12.94**	**3,235.57**	**3,521.56**	**7,662.36**	**2,664.58**	**57.35**	**13,092.62**	**30,249.57**
Additions	-	-	59.41	396.67	623.76	204.67	13.45	1,044.20	2,342.16
Disposals	-	-	65.20	105.35	352.90	25.31	0.54	113.18	662.47
As at March 31, 2020	**2.59**	**12.94**	**3,229.78**	**3,812.88**	**7,933.22**	**2,843.94**	**70.26**	**14,023.64**	**31,929.27**
Accumulated depreciation and impairment:									
As at April 1, 2018	**-**	**3.68**	**2,459.77**	**1,155.49**	**5,282.49**	**1,275.18**	**19.75**	**9,242.59**	**19,438.95**
Disposals	-	-	140.34	60.66	525.44	13.38	0.34	67.98	808.14
Depreciation charge for the year	-	0.17	237.56	307.61	929.77	197.51	5.97	1,317.69	2,996.28
As at March 31, 2019	**-**	**3.85**	**2,556.99**	**1,402.44**	**5,686.82**	**1,459.31**	**25.38**	**10,492.30**	**21,627.09**
Disposals	-	-	57.23	68.90	334.73	19.09	0.36	88.66	568.97
Depreciation charge for the year	-	0.17	207.17	342.62	997.80	205.48	5.91	1,321.98	3,081.13
As at March 31, 2020	**-**	**4.02**	**2,706.93**	**1,676.16**	**6,349.89**	**1,645.70**	**30.93**	**11,725.62**	**24,139.25**
Net carrying amount as at March 31, 2019	**2.59**	**9.09**	**678.58**	**2,119.12**	**1,975.54**	**1,205.27**	**31.97**	**2,600.32**	**8,622.48**
Net carrying amount as at March 31, 2020	**2.59**	**8.92**	**522.85**	**2,136.72**	**1,583.33**	**1,198.24**	**39.33**	**2,298.02**	**7,790.02**

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2020 is ₹ 2.31 lacs (March 31, 2019: ₹ 2.31 lacs).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

16. OTHER INTANGIBLE ASSETS

(₹ in lacs)

Particulars	Computer Software
Cost:	
As at April 1, 2018	**3,980.32**
Additions	401.87
Disposals	-
As at March 31, 2019	**4,382.19**
Additions	518.29
Disposals	-
As at March 31, 2020	**4,900.48**
Accumulated amortisation and impairment:	
As at April 1, 2018	**3,538.57**
Disposals	-
Depreciation charge for the year	356.22
As at March 31, 2019	**3,894.79**
Disposals	-
Depreciation charge for the year	237.06
As at March 31, 2020	**4,131.85**
Net carrying amount as at March 31, 2019	**487.40**
Net carrying amount as at March 31, 2020	**768.63**

17. RIGHT OF USE ASSETS

(₹ in lacs)

Sr No.	Class of Underlying Asset	Opening Balance of Right-of-Use assets (Balance as on 01.04.2019)	Recognised on transition as on 01.04.2019 of IND As 116 - Leases	Additions to Right-of-Use Assets, made during the year	Reduction in Right-of-Use Assets due to termination of Lease agreement	Amortisation for the year	Amount of Right-Of-Use Asset as on March 31, 2020
1	Buildings	-	16,734.06	5,776.21	648.06	5,526.98	16,335.23
2	Furniture, Fittings & Others	-	352.20	12.33	7.88	113.10	243.55
	Total	-	**17,086.26**	**5,788.54**	**655.94**	**5,640.08**	**16,578.78**

18. OTHER NON-FINANCIAL ASSETS

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Public issue expenses for non-convertible debentures to the extent not written off or adjusted	-	409.79
Deferred lease rental	-	665.08
Goods and Service tax credit (input) receivable	6,317.85	3,591.50
Advances recoverable in cash	1,260.98	1,028.99
Statutory duties paid under protest	766.66	608.61
Capital advances	71.09	66.64
Prepaid expenses	1,817.14	1,363.78
Repossessed House Property	7,290.55	7,927.96
Fair Value of Assets in Excess of Gratuity Provision	-	14.10
Total	**17,524.27**	**15,676.45**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

19. DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Group has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(₹ in lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Liabilities
(i) Currency derivatives:				
-Spots and forwards	-	-	7,098.00	297.39
-Currency futures	-	-	-	-
-Currency swaps	-	-	-	-
Sub total (i)	**-**	**-**	**7,098.00**	**297.39**
(ii) Interest rate derivatives:				
-Forward rate agreements and interest rate swaps	-	-	-	-
-Futures	-	-	-	-
Sub total (ii)	**-**	**-**	**-**	**-**
(iii) Credit derivatives:	-	-	-	-
(iv) Equity linked derivatives:	-	-	-	-
(v) Other derivatives:	-	-	-	-
Total derivative financial instruments (i+ii+iii+iv+v)	**-**	**-**	**7,098.00**	**297.39**

Consequent to the repayment of loan during the year the forward contract is closed.

Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Group's risk management strategy and how it is applied to manage risk are explained in Note 48.

Derivatives designated as hedging instruments

The Group has not designated any derivatives as hedging instruments.

Derivatives not designated as hedging instruments

The Group uses interest rate swaps to manage its interest rate risk arising from INR denominated borrowings and foreign exchange forward contracts to manage its foreign currency risk arising from borrowings in foreign currencies. The interest rate swaps a hedging relationship and are entered into for periods consistent with exposure of the underlying transactions, generally from 6 to 36 months.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

19. DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Details of the derivative instruments are given below:

(₹ in lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Liabilities
Interest rate risk:				
-Interest rate swaps	-	-	-	-
-Futures	-	-	-	-
Foreign currency risk:	**-**	**-**	**-**	**-**
-Currency futures	-	-		
-Currency swaps	-	-	-	-
-Forward contracts	-	-	7,098.00	297.39
Total	**-**	**-**	**7,098.00**	**297.39**

20. OTHER PAYABLES

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8,096.32	6,535.73
Total	**8,096.32**	**6,535.73**

21. DEBT SECURITIES

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Redeemable Non-Convertible Debentures (Secured)								
Public issue	84,955.43	-	-	84,955.43	11,377.18	-	-	11,377.18
Privately placed	3,92,996.77	-	-	3,92,996.77	4,15,327.57	-	-	4,15,327.57
Redeemable Non-Convertible Debentures (Unsecured)								
Privately placed	7,372.74	-	-	7,372.74	-	-	-	-
Total	**4,85,324.94**	**-**	**-**	**4,85,324.94**	**4,26,704.75**	**-**	**-**	**4,26,704.75**
Debt securities in India	4,85,324.94	-	-	4,85,324.94	4,26,704.75	-	-	4,26,704.75
Debt securities outside India	-	-	-	-	-	-	-	-
Total	**4,85,324.94**	**-**	**-**	**4,85,324.94**	**4,26,704.75**	**-**	**-**	**4,26,704.75**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

21. DEBT SECURITIES (Contd.)

A. Public Issue of Redeemable Non-Convertible Debentures (NCDs) Secured of ₹ 1,000/- each - Quoted

(i) Issued in 2014

(₹ in lacs)

Option Detail	Rate of Interest	As at March 31, 2020	As at March 31, 2019	Redemption Date
Series III	10.85%	-	3,328.38	03-May-19
	11.75%	-	5,574.68	03-May-19
Series VI	10.85%	-	851.44	03-May-19
	11.75%	-	1,622.68	03-May-19
Total		**-**	**11,377.18**	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the Group's specifically identified assets such as book debts / loan receivables in favour of the Trustees appointed.

The Group has utilised the entire sum of ₹ 19,905.82 lacs raised from public issue (net off expenses) towards financing activities as per the objects stated in the prospectus for the issue.

(ii) Issued in 2019

(₹ in lacs)

Tranche I Series	Rate of Interest	As at March 31, 2020	As at March 31, 2019	Redemption Date
Series I	9.55%	41,656.21	-	30-Apr-21
Series II	9.54%	2,650.23	-	30-Apr-21
Series III	9.65%	6,910.72	-	30-Apr-22
Series IV	9.26%	3,986.74	-	30-Apr-22
Series V	9.64%	2,615.41	-	30-Apr-22
Series VI	9.75%	7,020.61	-	30-Apr-24
Series VII	9.35%	3,407.24	-	30-Apr-24
Series VIII	9.75%	2,216.93	-	30-Apr-24
		70,464.09	**-**	

(₹ in lacs)

Tranche II Series	Rate of Interest	As at March 31, 2020	As at March 31, 2019	Redemption Date
Series I	9.55%	3,069.75	-	25-Sep-21
Series II	9.55%	558.28	-	25-Sep-21
Series III	9.70%	1,636.06	-	25-Sep-22
Series IV	9.30%	1,305.02	-	25-Sep-22
Series V	9.71%	850.15	-	25-Sep-22
Series VI	9.85%	5,401.17	-	25-Sep-24
Series VII	9.45%	1,088.07	-	25-Sep-24
Series VIII	9.88%	582.84	-	25-Sep-24
		14,491.34	**-**	
Grand Total - Tranche I and II		**84,955.43**	**-**	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

21. DEBT SECURITIES (Contd.)

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the Group's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

The Group has utilised the entire sum of ₹ 78,200.81 lacs raised from public issue (net off expenses) towards financing activities as per the objects stated in the prospectus for the issue, and will have the flexibility in deploying the net proceeds and pending utilization, if any, in temporarily investment in mutual funds, deposits with banks/institutions.

Secured redeemable non- convertible debentures may be bought back subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Group.

B. Redeemable Non-Convertible Debentures - Secured

(i) Privately Placed Redeemable Non-Convertible Debenture -Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 1,000,000/- each - Quoted and for two INEs - INE722A07AG5 and INE722A07AH3, the face value is ₹ 1,00,000/- each**

(₹ in lacs)

Rate of Interest	As at March 31, 2020	As at March 31, 2019	Redemption Date
8.33%	-	40,074.32	23-Jul-19
8.97%	-	9,442.65	12-Sep-19
8.97%	-	10,468.76	19-Sep-19
9.31%	-	10,469.77	27-Sep-19
8.25%	-	10,394.15	07-Oct-19
8.45%	-	1,440.13	25-Nov-19
9.70%	-	26,704.62	18-Dec-19
9.25%	-	4,089.06	26-Dec-19
9.72%	-	26,700.47	18-Mar-20
8.20%	14,645.08	13,614.06	16-Apr-20
8.15%	43,630.87	40,531.49	27-May-20
9.30%	5,366.91	5,364.13	17-Jun-20
9.30%	5,358.07	5,359.38	22-Jun-20
8.15%	623.85	579.26	30-Jun-20
7.97%	24,174.40	22,444.49	06-Oct-20
7.97%	31,002.56	30,974.81	27-Oct-20
9.00%	4,148.82	4,138.43	27-Oct-20
9.40%	23,734.92	23,730.23	30-Dec-20
10.75% *	100.68	200.25	04-Feb-21
9.00%	5,056.62	5,053.97	12-Feb-21
9.50%	2,141.91	2,140.58	01-Jul-21
8.97%	3,539.24	5,053.98	12-Aug-21
9.80%	63,017.54	62,942.76	21-Sep-21
10.25%	4,690.73	4,671.32	10-Oct-21
10.25%	1,561.85	1,554.95	13-Oct-21
9.35%	1,531.78	1,528.24	26-Dec-21

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

21. DEBT SECURITIES (Contd.)

(₹ in lacs)

Rate of Interest	As at March 31, 2020	As at March 31, 2019	Redemption Date
9.70%**	54,173.67	-	05-Mar-22
9.90%	9,390.72	8,488.71	04-Apr-22
9.90%	10,013.85	9,032.10	29-Sep-22
8.09%	8,201.41	8,197.48	05-Dec-22
9.25%	49,515.13	-	28-Feb-23
9.25%**	2,460.66	-	05-Mar-23
8.90%	11,511.94	11,510.30	27-Mar-23
9.00%	2,695.18	2,689.17	29-Apr-23
9.00%	1,615.98	1,613.70	02-May-23
9.25%	4,949.96	-	28-May-24
10.30%	4,142.43	4,129.85	10-Oct-24
Total	**3,92,996.76**	**4,15,327.57**	

* Repaid in installments.

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Group's specifically identified movable assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 12 months to 122 months from the date of allotment depending on the terms of the agreement.

Out of the above, the following INE722A07AE0, INE722A07AF7 and INE722A07AG5 are totalling to ₹ 56,925.75 lacs (March 31, 2019 :Nil) having put option facility, as may be subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Group.

C. Redeemable Non-Convertible Debentures - Unsecured

(i) Privately Placed Redeemable Non-Convertible Debenture -Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 1,000,000/- each - Quoted

(₹ in lacs)

Rate of Interest	As at March 31, 2020	As at March 31, 2019	Redemption Date
10.60%	2,468.36	-	09-May-21
10.60%	2,455.54	-	09-May-22
10.60%	2,448.84	-	09-May-23
Total	**7,372.74**	-	

These unsecured redeemable non-convertible debentures are redeemable at par over a period of 24 months to 49 months from the date of allotment depending on the terms of the agreement.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

22. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Secured								
Term Loan								
from bank in foreign currency	-	-	-	-	7,103.45	-	-	7,103.45
from bank in INR	9,11,703.81	-	-	9,11,703.81	10,30,113.22	-	-	10,30,113.22
from financial institution/ NBFC in INR	77,520.84	-	-	77,520.84	31,412.90	-	-	31,412.90
from bank in INR- Securitisation	62,573.00	-	-	62,573.00	-	-	-	-
from financial institution/ NBFC in INR- Securitisation	3,19,206.50	-	-	3,19,206.50	1,14,327.54	-	-	1,14,327.54
Loans repayable on demand								
Cash credit / Overdraft facilities from banks	58,873.42	-	-	58,873.42	1,72,804.60	-	-	1,72,804.60
Working Capital demand loan from banks	1,57,988.63	-	-	1,57,988.63	76,685.16	-	-	76,685.16
Unsecured								
Term Loan from Banks - INR	-	-	-	-	9,026.93	-	-	9,026.93
Commercial Papers	11,164.33	-	-	11,164.33	1,83,541.94	-	-	1,83,541.94
Total	**15,99,030.53**	**-**	**-**	**15,99,030.53**	**16,25,015.74**	**-**	**-**	**16,25,015.74**
Borrowings in India	15,99,030.53	-	-	15,99,030.53	16,17,912.29	-	-	16,17,912.29
Borrowings outside India	-	-	-	-	7,103.45	-	-	7,103.45
Total	**15,99,030.53**	**-**	**-**	**15,99,030.53**	**16,25,015.74**	**-**	**-**	**16,25,015.74**

Term Loan from Bank in foreign currency-Secured

Outstanding as at March 31, 2020 : ₹ Nil

Terms of Repayment as at March 31, 2019

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	9.85%	Bullet Repayment	7,103.45

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

22. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term Loan from Bank in Indian currency-Secured

Terms of Repayment as at March 31, 2020

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	7.55%-10.85%	2 to 60 installments of monthly, quarterly, half yearly and annual frequency.	1,61,489.37
12-24 Months	8.35%-10.85%	3 to 24 installments of monthly, quarterly, Half yearly frequency.	2,96,903.68
24-36 Months	8.35%-10.60%	4 to 36 installments of monthly, quarterly and half yearly frequency.	2,32,163.29
36-48 Months	8.60%-10.75%	4 to 19 installments of quarterly and half yearly frequency.	1,71,882.89
48-60 Months	9.00%-10.00%	4 to 18 installments of Quarterly and half yearly frequency	49,264.58
Total			**9,11,703.81**

Terms of Repayment as at March 31, 2019

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
upto 12 months	9.10%	Bullet Repayment	10,000.00
12-24 Months	9.20%	Bullet Repayment	21,010.47
24-36 Months	8.40% to 9.56%	1 to 36 installments of bullet, quarterly and half yearly frequency	19,715.50
36-48 Months	8.35% to 10.25%	1 to 48 installments of bullet, quarterly and half yearly frequency	7,55,443.77
48-60 Months	8.60% to 10.75%	1 to 60 installments of quarterly, half yearly and yearly frequency	2,16,498.98
Above 60 months	9.05% to 9.80%	1 to 14 installments of half yearly frequency	7,444.50
Total			**10,30,113.22**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

22. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Financial Institutions/ NBFC-Secured

Terms of Repayment as at March 31, 2020

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
24 to 36 months	8.65% to 10.00%	Quarterly Repayment	20,922.83
48 to 60 months	8.80% to 10.50%	Quarterly and Half Yearly Repayment	56,117.64
Above 60 months	9.85% to 9.95%	Quarterly Repayment	480.37
Total			**77,520.84**

Terms of Repayment as at March 31, 2019

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	8.35%	Bullet Repayment at the end of 1 year	10,685.61
48 to 60 months	9.15%	1 to 20 installments of quarterly frequency	19,907.44
Above 60 months	8.50% to 9.00%	47 installments of quarterly frequency	819.85
Total			**31,412.89**

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term loan from banks - INR -Securitisation

As at March 31, 2020

Terms of repayment

(₹ in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
Above 60 Months	9.10% to 10.00%	1 to 227 installments of monthly frequency	62,573.00
Total			**62,573.00**

Outstanding as at March 31, 2019 : ₹ Nil

Terms of repayment

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

22. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term loan from Financial Institutions/ NBFC - INR -Securitisation

Terms of Repayment as at March 31, 2020

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Amount
12-24 Months	7.05% to 10.65%	1 to 21 installments of monthly frequency	28,631.34
24-36 Months	8.50% to 10.55%	1 to 29 installments of monthly frequency	1,36,482.01
36-48 Months	10.25%	1 to 46 installments of monthly frequency	9,744.04
48-60 Months	10.25% to 10.30%	1 to 60 installments of monthly frequency	66,043.16
Above 60 Months	9.00% to 10.25%	1 to 65 installments of monthly frequency	78,305.94
Total			**3,19,206.50**

Terms of Repayment as at March 31, 2019

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Amount
24 to 36 Months	7.05%	1 to 33 installments of monthly frequency	3,076.70
Above 60 Months	10.25% to 10.30%	1 to 72 installments of monthly frequency	1,11,250.84
Total			**1,14,327.54**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Loans repayable on demand-Secured

Cash Credit from Banks

(₹ in lacs)

Particulars	Rate of Interest	As at March 31, 2020	As at March 31, 2019
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.60% to 11.80%	58,873.42	1,72,804.60
Total		**58,873.42**	**1,72,804.60**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

22. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Working capital Demand loan from Banks

(₹ in lacs)

Particulars	Rate of Interest	As at March 31, 2020	As at March 31, 2019
Secured with exclusive charge by way of hypothecation of specific assets under financing.	8.00% to 11.05%	1,57,988.63	76,685.16
Total		**1,57,988.63**	**76,685.16**

Term Loan from Bank in Indian currency-Unsecured

Outstanding as at March 31, 2020 : ₹ Nil

Terms of Repayment as at March 31, 2019

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	9.10%	Bullet Repayment	9,026.93

Commercial Papers-Unsecured

(₹ in lacs)

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	As at March 31, 2020	As at March 31, 2019
Upto 12 Months	7.40% to 9.45%	Bullet Repayment	11,164.33	1,83,541.94
Total			**11,164.33**	**1,83,541.94**

23. DEPOSITS

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Deposits								
Public deposits	4,01,206.80	-	-	4,01,206.80	3,11,940.61	-	-	3,11,940.61
Total	**4,01,206.80**	**-**	**-**	**4,01,206.80**	**3,11,940.61**	**-**	**-**	**3,11,940.61**

Deposits issued to director : ₹ Nil (March 31, 2019: Nil)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

23. DEPOSITS (Contd.)

Details of Public Deposits - Unsecured

Terms of Repayment as at March 31, 2020

(₹ in lacs)

Redeemable at par within	Rate of interest			
(from the date of Balance Sheet Date)	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	Total
Upto 12 months	73,326.28	48,075.09	82.00	1,21,483.37
12-24 months	12,598.21	88,697.07	-	1,01,295.28
24-36 months	9,590.74	1,10,306.60	-	1,19,897.34
36-48 months	1,014.82	18,843.11	-	19,857.93
48-60 months	-	38,672.87	-	38,672.87
Total	**96,530.05**	**3,04,594.75**	**82.00**	**4,01,206.80**

Terms of Repayment as at March 31, 2019

(₹ in lacs)

Redeemable at par	Rate of interest			
(from the date of Balance Sheet Date)	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	Total
Upto 12 months	55,835.95	46,146.78	11,458.83	1,13,441.56
12-24 months	53,197.69	25,763.80	81.68	79,043.17
24-36 months	10,647.91	72,068.85	-	82,716.77
36-48 months	9,462.13	10,811.22	-	20,273.34
48-60 months	958.87	15,506.90	-	16,465.77
Total	**1,30,102.55**	**1,70,297.55**	**11,540.51**	**3,11,940.61**

24. SUBORDINATED LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Subordinated Debts (Unsecured)	23,923.91	-	-	23,923.91	65,370.95	-	-	65,370.95
Total	**23,923.91**	**-**	**-**	**23,923.91**	**65,370.95**	**-**	**-**	**65,370.95**
Subordinate liabilities in India	23,923.91	-	-	23,923.91	65,370.95	-	-	65,370.95
Subordinate liabilities outside India	-	-	-	-	-	-	-	-
Total	**23,923.91**	**-**	**-**	**23,923.91**	**65,370.95**	**-**	**-**	**65,370.95**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

24. SUBORDINATED LIABILITIES (Contd.)

Terms of repayment as at March 31, 2020

(i) Privately Placed Subordinated Debts of ₹ 1,000/- each - Unquoted

(₹ in lacs)

Redeemable at par	Rate of interest	
(from the date of Balance Sheet Date)	>= 10% < 12%	Total
Upto 12 months*	23,923.91	23,923.91
Total	**23,923.91**	**23,923.91**

* Includes ₹ 4.70 lacs issued to related parties

Terms of repayment as at March 31, 2019

(i) Privately Placed Subordinated Debts of ₹ 1,000/- each - Unquoted

(₹ in lacs)

Redeemable at par	Rate of interest	
(from the date of Balance Sheet Date)	>= 10% < 12%	Total
Upto 12 months*	35,925.82	35,925.82
12-24 months*	21,759.25	21,759.25
Total	**57,685.07**	**57,685.07**

* Includes ₹ 226.43 lacs issued to related parties

(ii) Privately Placed Subordinated Debts of ₹ 1,000,000/ each - Quoted

(₹ in lacs)

Redeemable at par	Rate of Interest	
(from the date of Balance Sheet Date)	>=10%<12%	Total
Upto 12 months	7,685.88	7,685.88
Total	**7,685.88**	**7,685.88**

25. OTHER FINANCIAL LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Investor education and protection fund shall be credited by the following amounts (as and when due) #		
- Unclaimed matured deposits and interest thereon	10,983.54	11,582.21
- Unclaimed matured debentures and interest thereon	756.21	943.77
- Unpaid dividend	92.88	91.95
- Unclaimed matured subordinate debts and interest accrued thereon	5,486.68	4,329.92
Application money received for allotment of securities to the extent refundable and interest accrued thereon	-	0.27
Payable on account of Assignment	7,814.04	4,902.75
Royalty payable	1,638.78	1,552.50
Creditors for Supply & Services	281.57	1,427.81
Employee related payables	5,741.39	7,842.73
Lease Liability	17,150.33	-
Total	**49,945.42**	**32,673.91**

\# There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

25. OTHER FINANCIAL LIABILITIES (Contd.)

Lease Liability

(₹ in lacs)

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on 01.04.2019)	Recognised on transition as on 01.04.2019 of IND As 116 - Leases	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the period	Payment of lease Liabilities during the year	Amount of Lease Liabilities as on March 31, 2020
Buildings	-	16,551.55	5,329.55	656.04	1,704.04	6,067.32	16,861.79
Furniture, Fixtures & Others	-	386.65	12.48	8.33	31.60	133.86	288.54
Total	**-**	**16,938.20**	**5,342.03**	**664.37**	**1,735.64**	**6,201.18**	**17,150.33**

The table below provides details regarding the contractual maturities of lease liabilities as on March 31, 2020

(₹ in lacs)

Particulars	Undiscounted Basis	Discounted Basis
Not later than one year	6,030.37	4,552.38
Later than one year but not later than five years	12,608.04	10,071.45
Later than 5 years	2,962.62	2,526.50
Total	**21,601.03**	**17,150.33**

Disclosures on Lease Liability

Qualitative Disclosures: - Lease Liability

The leased building premises are used to carry out business operations and related support activities. The future cash outflows on lease payments are fixed in nature, subject to escalations. The lease agreements tenor extensions and termination conditions are subject to respective lease agreements. No restrictions or covenants are imposed by lease agreements.

26. PROVISIONS

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Employee benefit		
- Gratuity	1,154.81	134.14
- Provision for compensated absences	2,799.55	2,490.83
Undrawn loan commitment	161.10	39.43
Total	**4,115.46**	**2,664.40**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

26. PROVISIONS (Contd.)

Loan Commitment

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 48.2 along policies on whether ECL allowances are calculated on an individual or collective basis.

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal Rating Grade								
Performing								
High Grade	19,229.08	-	-	19,229.08	6,333.17	-	-	6,333.17
Standard Grade	118.20	-	-	118.20	253.82	-	-	253.82
Sub Standard Grade	-	52.31	-	52.31	-	58.71	-	58.71
Past due but not impaired	-	9.96	-	9.96	-	61.70	-	61.70
Non - Performing								
Individually Impaired	-	-	-	-	-	-	-	-
Total	**19,347.28**	**62.27**	**-**	**19,409.55**	**6,586.99**	**120.41**	**-**	**6,707.40**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Opening balance of outstanding exposure	6,586.99	120.41	-	6,707.40	8,457.19	78.72	47.13	8,583.04
New exposures	16,814.97	-	-	16,814.97	4,237.95	54.90	-	4,292.85
Exposures derecognised or matured/repaid (excluding write offs)	(4,040.48)	(72.34)	-	(4,112.82)	(6,038.49)	(82.87)	(47.13)	(6,168.49)
Transfer to Stage 1	(14.20)	14.20	-	-	(69.66)	69.66	-	-
Transfer to Stage 2	-	-	-	-		-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Closing balance of outstanding exposure	**19,347.28**	**62.27**	**-**	**19,409.55**	**6,586.99**	**120.41**	**-**	**6,707.40**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

26. PROVISIONS (Contd.)

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

(₹ in lacs)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
ECL allowance - opening balance	34.50	4.93	-	39.43	40.01	4.27	12.31	56.59
New exposures	146.14	-	-	146.13	24.29	4.37	-	28.66
Exposures derecognised or matured/repaid (excluding write offs)	(22.86)	(1.60)	-	(24.46)	(29.44)	(4.07)	(12.31)	(45.82)
Transfer to Stage 1	0.89	(0.89)	-	-	(0.36)	0.36	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**158.67**	**2.44**	**-**	**161.10**	**34.50**	**4.93**	**-**	**39.43**

27. OTHER NON-FINANCIAL LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues payable	2,339.94	1,569.10
Retention money and other sundry liabilities	39.20	77.41
Total	**2,379.14**	**1,646.51**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

28. EQUITY SHARE CAPITAL

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised:		
118,500,000 (March 31, 2019: 118,500,000) equity shares of ₹ 10/- each	11,850.00	11,850.00
4,000,000 (March 31, 2019: 4,000,000) cumulative redeemable preference shares of ₹ 100/- each	4,000.00	4,000.00
Total	**15,850.00**	**15,850.00**
Issued share capital		
6,60,02,922 (March 31, 2019 : 65,992,317) equity shares of ₹ 10/- each	6,600.29	6,599.23
Subscribed share capital		
6,60,02,922 (March 31, 2019 : 65,992,317) equity shares of ₹ 10/- each	6,600.29	6,599.23
Paid up (fully paid up)		
6,60,02,922 (March 31, 2019 : 65,992,317) equity shares of ₹ 10/- each	6,600.29	6,599.23
Total Equity	**6,600.29**	**6,599.23**
Issued, Subscribed and fully paid up Equity Shares		
6,60,02,922 (March 31, 2019 : 65,992,317) equity shares of ₹ 10/- each	6,600.29	6,599.23
Total Equity	**6,600.29**	**6,599.23**

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. of Shares	₹ in lacs
As at April 1, 2018	6,59,65,762	6,596.58
Issued during the Period	26,555	2.65
As at March 31, 2019	**6,59,92,317**	**6,599.23**
Issued during the Period	10,605	1.06
As at March 31, 2020	**6,60,02,922**	**6,600.29**

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting. During the year ended March 31, 2020, the amount of per equity share dividend proposed in total for distributions to equity shareholders is ₹ 6.00 (March 31, 2019 : ₹ 22.00). Out of the said total dividend proposed for the year ended March 31, 2020, amount of interim dividend paid during the year was ₹ 6.00 (March 31, 2019 : ₹ 6.00) per equity share and amount of final dividend proposed by the Board of Directors is ₹ Nil (March 31, 2019: ₹ 16.00) per equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 97,310 (March 31, 2019 : 128,045) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP), wherein a part of the consideration was received in form of employee service.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

28. EQUITY SHARE CAPITAL (Contd.)

d. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Shriram Capital Limited	2,23,71,594	33.89	2,22,68,877	33.74
Dynasty Acquisition FPI Limited	1,34,21,889	20.34	1,34,21,889	20.34
Piramal Enterprises Limited	65,79,840	9.97	65,79,840	9.97

As per the records of the company, including its register of shareholders/members and other declarations received from shareholders/members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Refer note 46 - Capital for the Company's objectives, policies and processes for managing capital

29. OTHER EQUITY

(₹ in lacs)

Particulars	Amount
Securities Premium Account	
As at April 1, 2018	**1,84,834.52**
Add: Premium on shares issued under ESOP during the year	66.77
As at March 31, 2019	**1,84,901.29**
Add: Premium on shares issued under ESOP during the year	26.67
As at March 31, 2020	**1,84,927.96**
Share Option Outstanding	
As at April 1, 2018	**125.75**
Adjustment on exercise of ESOP	(60.13)
Employee Stock Options Expenses	0.24
As at March 31, 2019	**65.86**
Deductions during the year on exercise of ESOP	(24.02)
Employee Stock option expenses/ other expenses	47.22
As at March 31, 2020	**89.06**
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at April 1, 2018	**90,332.19**
Add: Amount transferred from Retained Earnings	20,241.10
As at March 31, 2019	**1,10,573.29**
Add: Amount transferred from Retained Earnings	20,740.58
As at March 31, 2020	**1,31,313.87**
Debenture Redemption Reserve	
As at April 1, 2018	**4,486.03**
Add: Amount transferred from Retained Earnings	366.14
Less: Amount transferred to General Reserve on redemption of debentures	(2,007.88)
As at March 31, 2019	**2,844.29**
Add: Amount transferred from Retained Earnings	2,930.90
Less: Amount transferred to General Reserve on redemption of debentures	(2,911.54)
Less: Amount transferred to General Reserve as DRR is not required vide MCA notification dated August 16 ,2019	(2,863.65)
As at March 31, 2020	**-**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

29. OTHER EQUITY (Contd.)

(₹ in lacs)

Particulars	Amount
General Reserve	
As at April 1, 2018	**73,341.39**
Add: Amount transferred from Retained Earnings	9,990.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	2,007.88
As at March 31,2019	**85,339.27**
Add: Amount transferred from Retained Earnings	10,010.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	5,775.19
As at March 31, 2020	**1,01,124.46**
Capital Reserve	
As at April 1, 2018	**7,871.88**
As at March 31,2019	**7,871.88**
As at March 31, 2020	**7,871.88**
Capital Redemption Reserve	
As at April 1, 2018	**2,328.98**
As at March 31,2019	**2,328.98**
As at March 31, 2020	**2,328.98**
Other Comprehensive Income	
As at April 1, 2018	**185.02**
Remeasurement gain/ (loss) on defined benefit plan	(1,336.14)
Income Tax Provision/ (Reversal) on above	(468.00)
As at March 31,2019	**(683.12)**
Remeasurement gain/ (loss) on defined benefit plan	(333.27)
Gain/(Loss) on Fair valuation of quoted investments in equity shares	(664.10)
Income Tax Provision/ (Reversal) on above	113.38
As at March 31, 2020	**(1,567.11)**
Retained Earnings	
As at April 1, 2018	**2,03,321.76**
Add: Profit for the year	1,00,173.93
Add/(Less): Appropriations and other Adjustments	
Share Based Payments - Expenses	6.59
Transfer to/(from) debenture redemption reserve	(366.14)
Final Dividend on Equity Shares FY 2017-18	(7,916.23)
Tax on Final Dividend on Equity Shares FY 2017-18	(1,627.20)
Interim Dividend on Equity Shares FY 2018-19	(3,959.06)
Tax on Interim Dividend on Equity Shares FY 2018-19	(813.80)
Transfer to Statutory Reserve	(20,241.10)
Transfer to General reserve	(9,990.00)
As at March 31, 2019	**2,58,588.75**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

29. OTHER EQUITY (Contd.)

(₹ in lacs)

Particulars	Amount
Add: Profit for the year	1,02,262.95
Add/(Less): Appropriations and other Adjustments	
Transfer to/(from) debenture redemption reserve	(2,930.90)
Final Dividend on Equity Shares FY 2018-19	(10,559.22)
Tax on Final Dividend on Equity Shares FY 2018-19	(2,170.48)
Interim Equity Dividend FY 2019-20	(3,959.76)
Tax on Interim Dividend on Equity Shares FY 2019-20	(813.94)
Transfer to Statutory Reserve	(20,740.58)
Transfer to General reserve	(10,010.00)
As at March 31, 2020	**3,09,666.82**
Total other equity	
As at April 1, 2018	**5,66,827.52**
As at March 31,2019	**6,51,830.49**
As at March 31, 2020	**7,35,755.92**

Proposed Dividend on equity shares

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
The Board proposed dividend on equity shares		
Proposed dividend on equity shares for the year ended on March 31, 2020: Nil (March 31, 2019: ₹ 16.00 per share)	-	10,558.76
Tax on Dividend Proposed	-	2,170.38
Total	**-**	**12,729.14**

Nature and purpose of reserve

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation. This is not available for distribution of dividend.

Capital Redemption Reserve: The Group has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Group may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

29. OTHER EQUITY (Contd.)

Debenture Redemption Reserve: Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture Redemption Reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.

In respect of the debentures issued through public issue, the Company has created DRR of ₹ Nil (March 31, 2019: 366.14 lacs)- as DRR is not required vide MCA notification dated August 16 ,2019. The Company has deposited a sum of ₹ Nil (March 31, 2019: ₹ 1,722.00 lacs) with scheduled banks, as there are no debentures issued through public issue, which are due for redemption within one year from the balance sheet date.

General Reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory Reserve: Every year the Group transfers a of sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1) the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Retained earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Other Comprehensive Income: Other comprehensive income consists of remeasurement of net defined benefit liability / asset, FVTOCI financial liabilities and financial assets and currency translation.

Share Option Outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 41 for further details of these plans.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

30. INTEREST INCOME

(₹ in lacs)

Particulars	Year ended March 31, 2020				Year ended March 31, 2019			
	On Financial Assets measured at FVOCI	On Financial Assets measured at Amortised cost	Interest income on Financial Assets classified at FVTPL	Total	On Financial Assets measured at FVOCI	On Financial Assets measured at Amortised cost	Interest income on securities classified at FVTPL	Total
Interest on Loans	-	5,86,587.91	-	5,86,587.91	-	5,84,365.19	-	5,84,365.19
Interest income from investments	316.35	2,827.05	-	3,143.40	626.89	3,230.39	-	3,857.28
Interest on deposits with Banks								
- Margin money deposit	-	2,402.72	-	2,402.72	-	195.01	-	195.01
- Other Deposits	-	5,301.90	-	5,301.90	-	5,010.64	-	5,010.64
Other Interest Income	-	46.97	-	46.97	-	-	-	-
Total	**316.35**	**5,97,166.55**	**-**	**5,97,482.90**	**626.89**	**5,92,801.23**	**-**	**5,93,428.12**

31. FEE AND COMMISSION INCOME

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income from commission services	781.98	-
Income from collection services	571.45	1,131.56
Total	**1,353.43**	**1,131.56**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Type of Services or Service		
Fee and commission income	1,353.43	1,131.56
Total revenue from contract with customers	**1,353.43**	**1,131.56**
Geographical markets		
India	1,353.43	1,131.56
Outside India	-	-
Total revenue from contract with customers	**1,353.43**	**1,131.56**
Timing of revenue recognition		
Services transferred at a point in time	1,353.43	1,131.56
Services transferred over time	-	-
Total revenue from contracts with customers	**1,353.43**	**1,131.56**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

31. FEE AND COMMISSION INCOME (Contd.)

Contract Balance

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Trade Receivables	93.12	-
Less: Impairment loss allowances	(3.36)	-
Net Trade Receivables	89.76	-
Contract Assets	-	-
Total	**89.76**	**-**

The Group does not have any contract assets or liability, hence disclosures related to it has not been presented.

32. NET GAIN/(LOSS) ON FAIR VALUE CHANGES

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	1,162.49	1,476.14
- Derivatives	(81.61)	(297.39)
Total Net gain/(loss) on fair value changes	**1,080.88**	**1,178.75**
Fair Value changes:		
- Realised	2,109.55	291.48
- Unrealised	(1,028.67)	887.27
Total Net gain/(loss) on fair value changes	**1,080.88**	**1,178.75**

33. OTHER INCOME

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Gain on sale of Property, plant & equipment	14.52	17.99
Miscellaneous income	631.08	273.00
Total	**645.60**	**290.99**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

34. FINANCE COST

(₹ in lacs)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest expense on:-						
Fixed Deposits	-	31,490.80	31,490.80	-	26,461.61	26,461.61
Subordinated liabilities	-	5,619.14	5,619.14	-	12,353.22	12,353.22
Borrowings (other than debt securities)						
-Loans from Banks	-	96,349.37	96,349.37	-	93,095.31	93,095.31
-Loans from Financial Institution/ NBFC	-	6,320.63	6,320.63	-	5,132.09	5,132.09
-Loans from Financial Institution/ NBFC- Securitisation	-	21,501.15	21,501.15	-	2,024.79	2,024.79
-Loans from Banks- Securitisation	-	1,208.38	1,208.38	-	-	-
-Working Capital Demand Loans	-	13,624.44	13,624.44	-	10,104.63	10,104.63
-Cash Credit	-	4,012.56	4,012.56	-	6,853.20	6,853.20
-Commercial Paper	-	7,557.63	7,557.63	-	21,293.10	21,293.10
Debt securities	-	40,789.19	40,789.19	-	33,828.97	33,828.97
Interest on Tax Liability	-	79.75	79.75	-	4.04	4.04
Interest on Defined Benefit Plan	-	13.62	13.62	-	63.65	63.65
Finance Cost on Lease liability	-	1,735.64	1,735.64	-	-	-
Total	**-**	**2,30,302.30**	**2,30,302.30**	**-**	**2,11,214.62**	**2,11,214.62**

35. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in lacs)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
Loans and advances to customers	-	12,736.69	12,736.69	-	11,701.57	11,701.57
Investments	(2.94)		(2.94)	(15.18)	-	(15.18)
Others						
- Undrawn Commitments	-	121.68	121.68	-	(17.17)	(17.17)
- Trade Receivables	-	3.36	3.36	-	-	-
- Lease Receivables	-	0.47	0.47	-	-	-
- Assignment Receivables	-	247.15	247.15	-	-	-
Total	**(2.94)**	**13,109.35**	**13,106.41**	**(15.18)**	**11,684.40**	**11,669.22**

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

35. IMPAIRMENT ON FINANCIAL INSTRUMENTS (Contd.)

Year ended March 31, 2020

(₹ in lacs)

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	25,091.05	(10,598.51)	(1,755.85)	-	-	12,736.69
Investment	(2.94)	-	-	-	-	(2.94)
Debt instruments measured at FVOCI	-	-	-	-	-	-
Others						
- Undrawn Commitments	92.40	(2.49)	-	-	31.77	121.68
- Trade Receivables	-	-	-	-	3.36	3.36
- Assignment Receivables	184.14	0.69	-	-	62.32	247.15
- Lease Receivables	-	-	-	-	0.47	0.47
Total impairment loss	**25,364.65**	**(10,600.31)**	**(1,755.85)**	**-**	**97.45**	**13,106.41**

Year ended March 31, 2019

(₹ in lacs)

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	9,350.12	13,708.09	(11,356.64)	-	-	11,701.57
Investment	(15.18)	-	-		-	(15.18)
Others						
- Undrawn Commitments	(5.50)	0.65	(12.32)	-	-	(17.17)
- Trade Receivables	-	-	-	-	-	-
- Assignment Receivables	-	-	-	-	-	-
Total impairment loss	**9,329.44**	**13,708.74**	**(11,368.96)**	**-**	**-**	**11,669.22**

36. EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, other allowances and bonus	83,393.14	82,066.17
Contribution to provident and other funds	5,569.59	5,963.08
Staff welfare expenses	1,457.96	1,199.70
Share based payments to employees	58.50	9.87
Gratuity expenses	649.81	444.49
Interest Expenses on Staff Loan	8.37	-
Total	**91,137.37**	**89,683.31**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

37. DEPRECIATION, AMORTISATION AND IMPAIRMENT

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of tangible assets	3,081.13	2,996.29
Amortisation of intangible assets	237.06	356.22
Depreciation on right to use assets	5,640.09	-
Total	**8,958.28**	**3,352.51**

38. OTHER EXPENSES

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent	104.77	6,489.08
Power and fuel	1,067.80	1,045.35
Repairs and maintenance		
- Buildings	1,197.71	1,375.50
- Office equipments	45.64	42.51
Office expenses	1,546.28	1,408.46
Rates and taxes	1,992.61	1,617.42
Printing and stationery	2,885.32	2,417.55
Travelling and conveyance	4,340.23	4,428.65
Advertisement	612.30	450.79
Business promotion	4,582.00	3,629.20
Directors' sitting fees	45.74	38.40
Insurance	418.83	409.77
Communication expenses	3,047.01	3,178.11
Bank charges	1,567.76	1,264.72
Legal and Professional Fees	1,628.54	1,590.78
Loss on sale of fixed assets	59.38	91.14
Public issue expenses for non-convertible debentures	0.83	120.01
CSR expenses	1,081.38	851.15
Mortgage Guarantee Fees	202.52	292.48
Miscellaneous expenses	1,930.99	2,051.60
Auditor fees		
(a) Audit Fees	59.51	54.10
(b) Tax Audit Fees	6.59	11.45
(c) Certification Fees	6.70	6.00
(d) Out of Pocket	10.16	11.88
Total	**28,440.60**	**32,876.10**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

39. INCOME TAX

The components of income tax expense for the year ended March 31,2020 and March 31, 2019 are:

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	35,661.16	49,544.09
Income tax of earlier years	1,325.99	-
Deferred tax relating to origination and reversal of temporary differences	340.01	4,442.23
Total tax charge	**37,327.16**	**53,986.32**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the periods ended March 31, 2020 and March 31, 2019 is, as follows:

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax	**1,40,648.42**	**1,54,539.01**
At India's statutory income tax rate for Shriram City Union Finance Limited: 25.168% (2019: 34.944%), For Shriram Housing Finance Limited: 29.12% (2019: 33.384%)	35,740.70	53,963.17
Tax at special rate on Capital Gains of Rs: 1,048.04 lacs @ 22.88%	239.79	-
Total Tax	**35,980.49**	**53,963.17**
Corporate social responsibility expenditure not allowable for tax purpose	267.99	297.40
Deduction under chapter VIA of the Income Tax Act, 1961 (2019:section 80G and 80JJAA)	(388.79)	(78.62)
Income tax of earlier years	1,324.24	-
Others	143.22	(195.63)
Income tax expense reported in the statement of profit or loss	**37,327.15**	**53,986.32**

The effective income tax rate for March 31,2020 is 26.54% (March 31, 2019 is 34.93%)

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(₹ in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Property, plant and equipment and intangible assets	1,727.04	-	479.66	-
Net Right to use Asset and future rent liability	147.06	-	(147.06)	-
ECL Provision on undrawn loan commitment & Investment	38.20	-	(23.45)	-
Expenses allowable for tax purpose when paid	2,481.32	-	(212.73)	48.87

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

39. INCOME TAX (Contd.)

(₹ in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
EIR impact on debt instrument measured at Amortised Cost	-	131.39	(343.60)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	241.67	25.69	(347.11)	(167.14)
Impact of amortisation of processing fees on Loans and Advances	490.61	-	623.56	-
MAT Entitlement Credit	210.03	-	309.86	-
Special Reserve u/s 36 1(viii) of Income Tax Act	-	741.64	69.91	-
Other temporary differences	227.53	478.45	240.83	-
Total	**5,563.46**	**1,377.17**	**649.87**	**(118.27)**

The above includes deferred tax laibility of ₹ 886.48 Lacs relating to subsidiary.

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(₹ in lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2019	As at March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2019
Property, plant and equipment and intangible assets	2,206.70	-	(255.39)	-
Expenses allowable for tax purpose when paid	2,813.92	490.94	5.63	(461.23)
ECL Provision on undrawn loan commitment & Investment	14.75	-	4,403.16	-
EIR impact on debt instrument measured at Amortised Cost	-	474.99	(604.35)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	-	298.27	404.89	-
Impact of amortisation of processing fees on Loans and Advances	1,114.17	-	821.98	-
Impact of Recognition of Interest on assignment and securitization	-	-	(54.38)	-
MAT Entitlement Credit	519.89	-	-	-
Special Reserve u/s 36 1(viii) of Income Tax Act	-	671.73	(36.27)	-
Other temporary differences	188.35	198.33	(243.04)	-
Total	**6,857.78**	**2,134.26**	**4,442.23**	**(461.23)**

The above includes deferred tax laibility of ₹ 117.23 Lacs for March 31, 2019 relating to subsidiary.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

39. INCOME TAX (Contd.)

Amount recognised in respect of current tax/ deferred tax directly in equity:

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Amount recognised in respect of current tax/ deferred tax directly in equity	-	-

Tax losses and Tax credits

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unused Capital Gains tax losses for which no deferred tax asset has been recognised	-	-
Unused Tax Credits-MAT credit entitlement	-	-

CURRENT TAX ASSETS (NET)

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance income tax (net of provision for tax) [provision for income tax March 31,2020: ₹ 3,26,620.72.lacs March 31, 2019: ₹ 2,89,943.43 lacs]	15,136.41	5,629.57
Total	**15,136.41**	**5,629.57**

40. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the group by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of group (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares and issue of Employee Stock Options.

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit after tax as per Statement of Profit and Loss (₹ in lacs)	1,02,262.95	1,00,173.93
Weighted average number of ordinary shares for basic earnings per share (₹ in lacs) (B)	659.97	659.78
Effect of dilution:		
Stock options granted under ESOP (Nos. in lacs)	0.12	0.23
Weighted average number of ordinary shares adjusted for effect of dilution (₹ in lacs) (C)	660.10	660.01
Earnings per share		
Basic earnings per share (₹) (A/B)	**154.95**	**151.83**
Diluted earnings per share (₹) (A/C)	**154.92**	**151.78**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

41. INVESTMENT IN SUBSIDIARY

Subsidiary of the Company is:

Name of the subsidiary	Country of Incorporation	Principal place of business	Principal activities	For the year ending	No of Equity Shares Held (FV of ₹ 10 /- each)	% equity interest
Shriram Housing Finance Limited	India	Mumbai	Housing Finance	March 31, 2020	16,54,40,000	77.25%
				March 31, 2019	16,54,40,000	77.25%

B. Statement of Net Assets, Profit and Loss and Other Comprehensive Income attributable to owners and Non Controlling Interest as on March 31, 2020

(₹ in lacs)

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profits / (loss)		Share in Other Comprehensive Income/ (Loss)		Share in total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount
Parent - Shriram City Union Finance Limited	93.18%	7,02,573.25	95.50%	98,669.25	100.76%	(889.19)	95.45%	97,780.06
Indian Subsidiary - Shriram Housing Finance Limited	5.28%	39,782.96	3.48%	3,593.70	-0.59%	5.20	3.51%	3,598.90
Non Controlling Interest	1.54%	11,629.45	1.02%	1,058.31	-0.17%	1.53	1.03%	1,059.84
Total	**100%**	**7,53,985.66**	**100%**	**1,03,321.26**	**100%**	**(882.46)**	**100%**	**1,02,438.80**

42. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in lacs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	2,24,053.78	-	2,24,053.78	99,584.06	-	99,584.06
Bank Balance other than above	97,859.03	-	97,859.03	27,794.30	2,625.16	30,419.46
Receivables						
- Trade Receivables	89.76	-	89.76	-	-	-
- Other than Trade Receivables	0.65	-	0.65	4.07	-	4.07
Loans	14,21,002.04	14,39,099.32	28,60,101.36	13,85,798.20	14,95,276.86	28,81,075.06
Investments	52,145.52	20,172.64	72,318.16	56,751.92	35,340.48	92,092.40
Other financial assets	4,514.41	7,086.63	11,601.04	2,724.39	795.71	3,520.10

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

42. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

(₹ in lacs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-financial Assets						
Current tax asset	-	15,136.41	15,136.41	-	5,629.57	5,629.57
Deferred tax assets (net)	-	5,072.77	5,072.77	-	4,840.74	4,840.74
Property, plant and equipment	-	7,790.02	7,790.02	-	8,622.48	8,622.48
Other intangible assets	-	768.63	768.63	-	487.40	487.40
Right of Use Assets	-	16,578.78	16,578.78	-	-	-
Other non financial assets	8,118.55	9,405.72	17,524.27	9,723.00	5,953.45	15,676.45
Total assets	**18,07,783.74**	**15,21,110.92**	**33,28,894.67**	**15,82,379.92**	**15,59,571.86**	**31,41,951.79**
Liabilities						
Financial Liabilities						
Derivative financial liabilities	-	-	-	297.39	-	297.39
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8,096.32	-	8,096.32	6,535.73	-	6,535.73
Debt Securities	1,68,112.47	3,17,212.46	4,85,324.93	1,58,771.08	2,67,933.67	4,26,704.75
Borrowings (other than debt security)	8,64,061.93	7,34,968.60	15,99,030.53	8,73,412.83	7,51,602.91	16,25,015.74
Deposits	1,21,486.63	2,79,720.17	4,01,206.80	1,12,993.25	1,98,947.36	3,11,940.61
Subordinated Liabilities	23,923.91	-	23,923.91	43,541.66	21,829.29	65,370.95
Other Financial liabilities	33,426.73	16,518.69	49,945.42	32,541.13	132.78	32,673.91
Non-financial Liabilities						
Provisions	1,743.20	2,372.27	4,115.47	377.80	2,286.60	2,664.40
Deferred tax liabilities (net)	-	886.48	886.48	-	117.23	117.23
Other non-financial liabilities	2,374.32	4.82	2,379.14	1,573.52	72.99	1,646.51
Total Liabilities	**12,23,225.51**	**13,51,683.49**	**25,74,909.00**	**12,30,044.38**	**12,42,922.83**	**24,72,967.22**
Net	**5,84,558.23**	**1,69,427.43**	**7,53,985.66**	**3,52,335.54**	**3,16,649.04**	**6,68,984.57**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

43. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities during FY 2019-20

(₹ in lacs)

Particulars	As at March 31, 2019	Cash Flows	Exchange difference	Other *	As at March 31, 2020
At Amortised Cost					
Debt Securities					
-NCD Public Issue	11,377.16	75,282.56	-	(1,704.29)	84,955.43
-NCD Retail	-	-	-	-	-
-NCD Institutional	4,15,327.57	(12,628.52)	-	(2,329.54)	4,00,369.51
Subordinated Liabilities					
- Sub Debt Retail	57,685.07	(34,033.43)	-	272.27	23,923.91
- Sub Debt Institutional	7,685.88	(7,705.28)	-	19.40	-
Borrowings other than debt securities					
- Term Loan from Banks	10,46,243.60	(1,33,161.10)	-	(1,378.69)	9,11,703.81
- Term Loan from Institution	31,412.91	46,253.77	-	(145.84)	77,520.84
- Commercial paper	1,83,541.94	(1,72,377.61)	-	-	11,164.33
- Cash Credit from Banks	1,72,804.60	(1,13,916.66)	-	(14.52)	58,873.42
- Working Capital Demand Loans	76,685.16	81,303.82	-	(0.35)	1,57,988.63
- Term Loan from Bank- Securitisation	-	63,526.69	-	(953.69)	62,573.00
- Term Loan from financial Institution/ NBFC- Securitisation	1,14,327.54	2,09,299.40	-	(4,420.44)	3,19,206.50
Deposits					
- Public Deposits	3,11,940.60	90,073.35	-	(807.15)	4,01,206.80
Total	**24,29,032.03**	**91,916.99**	**-**	**(11,462.85)**	**25,09,486.17**

* Represents adjustments on account of processing fees and other transaction costs

Changes in liabilities arising from financing activities during FY 2018-19

(₹ in lacs)

Particulars	As at March 31, 2018	Cash Flows	Exchange difference	Other *	As at March 31, 2019
At Amortised Cost					
Debt Securities					
-NCD Public Issue	20,920.73	(9,543.55)	-	-	11,377.18
-NCD Retail	639.59	(640.29)	-	0.70	-
-NCD Institutional	2,75,499.79	1,40,131.19	-	(303.41)	4,15,327.57
Subordinated Liabilities					
- Sub Debt Retail	89,327.13	(32,049.87)	-	407.81	57,685.07
- Sub Debt Institutional	28,234.63	(20,681.07)	-	132.32	7,685.88
Borrowings other than debt securities					
- Term Loan from Banks	10,34,866.54	11,976.98	165.46	(765.38)	10,46,243.60
- Term Loan from Institution	49,782.31	(18,369.94)	-	0.53	31,412.90
- Commercial paper	2,28,691.45	(45,149.51)	-	-	1,83,541.94
- Cash Credit from Banks	1,62,461.46	10,347.28	-	(4.14)	1,72,804.60

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

43. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (Contd.)

(₹ in lacs)

Particulars	As at March 31, 2018	Cash Flows	Exchange difference	Other *	As at March 31, 2019
- Working Capital Demand Loans	80,626.03	(3,940.87)	-	-	76,685.16
- Term Loan from financial Institution/ NBFC- Securitisation	10,224.25	1,04,103.29	-	-	1,14,327.54
Deposits					
-Public Deposits	3,07,365.14	4,875.35	-	(299.89)	3,11,940.60
Total	**22,88,639.05**	**1,41,058.99**	**165.46**	**(831.46)**	**24,29,032.04**

* Represents adjustments on account of processing fees and other transaction costs

44. CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent Liabilities

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. In respect of Income tax demands where the Group has filed appeal before various authorities	194.53	1,517.38
b. VAT demand where the Group has filed appeal before various Appellate	259.95	266.45
c. Service tax demand	8,019.29	3,802.12
d. Guarantees given for subsidiary	2,500.00	2,500.00
e. Bank Guarantees	135.00	135.00
Total	**11,108.77**	**8,220.95**

Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements /decisions pending with various forums/authorities. The Group is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

The Group has issued a guarantee for ₹ 2,500.00 lacs against refinance obtained by subsidiary, Shriram Housing Finance Limited for NHB.

(B) Commitments not provided for

(₹ in lacs)

Commitments not provided for	As at March 31, 2020	As at March 31, 2019
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	306.34	233.37
b. Commitments related to loans sanctioned but undrawn	19,409.55	6,707.40

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

45. RELATED PARTY DISCLOSURES

Relationship			Name of the party
(i)	Enterprises having significant influence over the Group	:	Shriram Capital Limited (SCL)
			Shriram Ownership Trust (SOT)
			Dynasty Acquisition FPI Limited (DAFL)
			Valiant Mauritius Partners FDI Ltd. (VMPL)
(ii)	Subsidiary	:	Shriram Housing Finance Limited (SHFL)
(iii)	Associates *	:	Insight Commodities and Futures Private Limited (ICFPL)
			Shriram Asset Management Company Limited (SAMCL)
			Shriram Credit Company Limited (SCCL)
			Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)
			Shriram Financial Ventures (Chennai) Private Limited (SFVPL)
			Shriram Fortune Solutions Limited (SFSL)
			Shriram General Insurance Company Limited (SGICL)
			Shriram Insight Share Brokers Limited (SISBL)
			Shriram Life Insurance Company Limited (SLICL)
			Shriram Overseas Investments Private Limited (SOIPL)
			Shriram Wealth Advisors Limited (SWAL)
			Shriram Value Services Limited (SVSL)
			Bharath Investments Pte. Ltd., Singapore (BIPL)
			SGI Philippines General Insurance Co. Inc. (SGIPGICI)
			Novac Technology Solutions Pvt. Ltd (NTSPL)
			Novac Digital Services Pvt Limited (formerly Techfactory Services Pvt. Ltd.) (NDSPL)
			Snottor Technology Services Private Limited
(iv)	Key Management Personnel	:	Mr. Y.S. Chakravarti, Managing Director (Appointed w.e.f 01.07.2019)
			Mr. R Duruvasan, Director (Ceased from Managing Director w.e.f 30.06.2019)
			Mr. Debendranath Sarangi, Chairperson
			Mr. Khushru Burjor Jijina, Director (Ceased w.e.f 07.05.18)
			Mr. Subramaniam Krishnamurthy, Director (Ceased w.e.f 31.03.19)
			Mr. Vipen Kapur , Director (Ceased w.e.f 31.03.19)
			Mr .C R Muralidharan, Director (Appointed w.e.f 01.04.2019)
			Mr .Diwakar Bhagwati Gandhi, Director (Appointed w.e.f 01.04.2019)
			Mr. Gerrit Lodewyk Van Heerde, Director (Ceased w.e.f. 29.07.2019)
			Ms. Maya S Sinha, Director
			Mr. Sri Pranab Prakash Pattanayak, Director (Reappointed w.e.f 01.04.2019)
			Mr. Ranvir Dewan, Director (Ceased w.e.f. 02.12.2019)
			Mr. Shashank Singh, Director
			Mr. Venkataraman Murali, Director (Reappointed w.e.f 01.04.2019)
			Mr. R Chandrasekar, Chief Financial Officer
			Mr. C R Dash, Company Secretary
			Mr.Ignatius Michael Viljoen, Director (Appointed w.e.f 29.7.2019)
			Ms Lakshminaryanan Priyadarshini , Director

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

45. RELATED PARTY DISCLOSURES (Contd.)

Relationship		Name of the party
		Mr.Subramanian Jambunathan, MD & CEO
		Mr.Kunal Karnani, Chief Financial Officer - DOL 6.9.2019
		Ms Nikita Hule , Companty Secretary - DOL 27.07.2019
		Mr.Gauri Shankar Agarwal,, Chief Financial Officer - wef 25.09.2019
		Ms Bhavita Ashiyani - Company Secretary -wef 20.10.2019
(v)	Relatives of Key Management Personnel :	Relatives of Mr. R Duruvasan, Director (Ceased from Managing Director & CEO w.e.f 30.06.2019)
		Late Mr. Ayneni Ramachandra Naidu (Father)
		Late Ms. Ayneni Ammayamma (Mother)
		Ms. A Komaleeswari (Spouse)
		Mr. Ayneni Vamshi Krishna (Son)
		Mr. R Perumal (Brother)
		Ms. P Padmaja (Brother's Wife)
		Ms. S Usha Rani (Sister)
		Mr. R Selvam (Sister's Husband)
		Relatives of Mr. Y.S. Chakravarti, Managing Director & CEO (Appointed w.e.f 01.07.2019)
		Late Mr. Satyanarayana Y (Father)
		Ms. Rajamannar (Mother)
		Ms. Sujata Yalamati (Spouse)
		Mr. Sree Bhargav (Son)
		Ms. Nayana Sri (Daughter)
		Ms. Aruna S (Sister)
		Ms. Rama Devi D (Sister)
		Mr. S R Krishna (Sister's husband)
		Mr. Venkateswara Rao D (Sister's husband)
		Mr. M S R Choowdary (Brother of spouse)
		Relatives of Mr. Subramanian Jambunathan, Managing Director & CEO (SHFL)
		Late Mr. Krishnawamy Jambunathan (Father)
		Ms. Padmavathi Jambunathan(Mother)
		Ms. Dharini Mani Subramanian (Spouse)
		Ms. Anusha Subramanian (Daughter)
		Mr. Jambunathan Krishnan (Brother)

*- The Group neither holds any shares in the following entities nor these entities hold any shares in the Group except Shriram Financial Ventures (Chennai) Private Limited (SFVPL) . However these entities are "subsidiaries" of Shriram Capital Limited and hence these entities are treated as "associates" as per paragraph 9(b)(ii) of IND- AS 24 and transactions made with these entities are disclosed.

There are no transactions with relatives of Key Management Personnel for the year ended March 31, 2020.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

45. RELATED PARTY DISCLOSURES (Contd.)

Related party transactions during the year

(₹ in lacs)

Particulars	Enterprises having significant influence over the Group		Associates		Key Management Personnel		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Payments/Expenses								
Royalty to SOT	3,351.69	6,438.79	-	-	-	-	3,351.69	6,438.79
Royalty to SVSL		-	3,423.00	-	-	-	3,423.00	-
Commission & Other expenses- SFPSPL	-	-	2,311.98	1,944.86	-	-	2,311.98	1,944.86
Commission & Other expenses- SFSL	-	-	2,800.34	1,272.35	-	-	2,800.34	1,272.35
Commission & Other expenses- SISBL	-	-	60.68	40.66	-	-	60.68	40.66
Interest Expenses- SFPSPL	-	-	54.57	-	-	-	54.57	-
Interest Expenses- SLICL	-	-	423.72	133.72	-	-	423.72	133.72
Other Expenses - SLICL	-	-	15.67	15.41	-	-	15.67	15.41
Insurance & Other expenses - SGICL	-	-	402.08	431.23	-	-	402.08	431.23
Insurance - SLICL	-	-	577.91	461.59	-	-	577.91	461.59
IT Services & Other expenses- SVSL	-	-	1,386.28	5,404.70	-	-	1,386.28	5,404.70
Professional Charges to NTSPL/Expenses	-	-	4,575.53	-	-	-	4,575.53	-
Reimbursement of Rent and other expenses-SCL	14.61	195.09	-	-	-	-	14.61	195.09
Fees to SCL	1,842.24	1,754.52	-	-	-	-	1,842.24	1,754.52
"Payments to Key Managerial Personnel (MD, CFO & CS)"								
Short–term employee benefits	-	-	-	-	427.93	321.83	427.93	321.83
Post–employment pension (defined contribution)	-	-	-	-	29.90	29.61	29.90	29.61
Other long term employee benefits	-	-	-	-	46.56	9.39	46.56	9.39
Share Based Payment	-	-	-	-	51.19	12.61	51.19	12.61
Directors Sitting Fees	-	-	-	-	44.94	35.25	44.94	35.25
Equity dividend to SCL	4,921.75	4,008.40	-	-	-	-	4,921.75	4,008.40
Equity dividend to DAFL	2,952.82	2,415.94	-	-	-	-	2,952.82	2,415.94
Equity dividend to SFVPL	-	-	3.63	-	-	-	3.63	-
Equity dividend to KMP	-	-	-	-	1.80	1.47	1.80	1.47
Receipts/Income							-	-
Commission- SGICL	-	-	247.82	-	-	-	247.82	-
Commission - SLICL	-	-	458.26	-	-	-	458.26	-
Rent Income - SFSL	-	-	18.84	21.76	-	-	18.84	21.76
Rent Income - SISBL	-	-	4.50	13.34	-	-	4.50	13.34
Rent Income - SLICL	-	-	3.69	19.25	-	-	3.69	19.25
Rent Income - SHFL	-	-	-	-	-	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

45. RELATED PARTY DISCLOSURES (Contd.)

(₹ in lacs)

Particulars	Enterprises having significant influence over the Group		Associates		Key Management Personnel		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Electricity, Telephone and other charges Received							-	-
Expenses reimbursement -SFSL	-	-	8.16	11.23	-	-	8.16	11.23
Expenses reimbursement -SISBL	-	-	1.56	1.92	-	-	1.56	1.92
Expenses reimbursement -SLICL	-	-	4.31	27.29	-	-	4.31	27.29
Balance outstanding as at								
Share Capital held by SCL	2,237.16	2,226.89	-	-	-	-	2,237.16	2,226.89
Share Capital held by DAFL	1,342.19	1,342.19	-	-	-	-	1,342.19	1,342.19
Share Capital held by SFVPL	-	-	1.65	-	-	-	1.65	-
Share Capital held by KMP	-	-	-	-	0.82	0.82	0.82	0.82
Share Capital - VMPL	4,872.00	4,872.00	-	-	-	-	4,872.00	4,872.00
Investment of SCL	4.70	226.43	-	-	-	-	4.70	226.43
Interest Payable to SCL	1.08	183.17	-	-	-	-	1.08	183.17
Royalty Payable to SOT	-	1,552.50	-	-	-	-	-	1,552.50
Royalty Payable to SVSL	-	-	1,646.39	-	-	-	1,646.39	-
Expenses Payable to SOT	-	135.93	-	-	-	-	-	135.93
Expenses payable to SCL	456.34	-	-	-	-	-	456.34	-
Expense Payable to SFPSPL	-	-	80.48	0.49	-	-	80.48	0.49
Expense Payable to SFSL	-	-	211.83	0.06	-	-	211.83	0.06
Expense Payable to SISBL	-	-	4.45	1.27	-	-	4.45	1.27
Expense Payable to SVSL	-	-	1.89	15.89	-	-	1.89	15.89
Expense Payable to NTSPL	-	-	23.12	-	-	-	23.12	-
Expense Payable to SLICL	-	-	0.03	4.33	-	-	0.03	4.33
Outstanding Payable to SFPSPL	-	-	1,034.77	-	-	-	1,034.77	-
Outstanding Payable to SLICL	-	-	6,444.54	1,501.34	-	-	6,444.54	1,501.34
Receivable from SFSL	-	-	0.87	6.38	-	-	0.87	6.38
Receivable from SGICL	-	-	86.90	-	-	-	86.90	-
Receivable from SISBL	-	-	1.00	-	-	-	1.00	-
Receivable from SLICL	-	-	0.68	2.59	-	-	0.68	2.59
Receivable from NTSPL	-	-	0.32	-	-	-	0.32	-
Receivable from SCL	4.25	-	-	-	-	-	4.25	-
Receivable from SFPSPL	-	-	32.36	3.00	-	-	32.36	3.00
Receivable from SVSL	-	-	30.56	7.03	-	-	30.56	7.03

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

46. CAPITAL

The Group maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Group.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the group ensures to maintain a healthy CRAR at all the times.

Capital Management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

A. Shriram City Union Finance Limited

(₹ in lacs)

Regulatory capital	As at March 31, 2020	As at March 31, 2019
Tier 1 Capital	6,78,676.35	6,32,153.78
Tier 2 Capital	-	2,854.56
Total capital funds	**6,78,676.35**	**6,35,008.34**
Risk weighted assets (₹ in Lacs)	**24,50,549.66**	**27,68,179.28**
Tier 1 capital ratio	27.69%	22.84%
Other Tier 2 capital ratio	0.00%	0.10%
Total capital ratio	**27.69%**	**22.94%**

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends . Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments, which includes contingent convertible bonds.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI) of India.

B. Shriram Housing Finance Limited

(₹ in lacs)

Regulatory capital	As at March 31, 2020	As at March 31, 2019
Tier 1 Capital	49,757.11	45,400.79
Tier 2 Capital	1,529.40	1,486.47
Total capital funds	**51,286.51**	**46,887.26**
Risk weighted assets (₹ in Lacs)	**1,84,765.64**	**1,56,629.53**
Tier 1 capital ratio	26.93%	28.99%
Other Tier 2 capital ratio	0.83%	0.95%
Total capital ratio	**27.76%**	**29.94%**
Amount of subordinated debt raised as Tier - II capital (₹ in Lacs)	-	-
Amount raised by issue of Perpetual Debt Instruments (₹ in Lacs)	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

46. CAPITAL (Contd.)

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit . Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the National Housing Bank. The other component of regulatory capital is other Tier 2 Capital , which includes provision for standard assets

The Company is meeting the capital adequacy requirements of National Housing Bank.

47. FAIR VALUE MEASUREMENT

47.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 47.3.

47.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2020

(₹ in lacs)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	12,767.35	-	12,767.35
Equity instruments	8,917.14	-	-	8,917.14
Security Receipts	-	1,327.92	-	1,327.92
Pass through Certificate	-	1,840.73	-	1,840.73
Total financial assets held for trading	**8,917.14**	**15,936.01**	**-**	**24,853.15**
Total assets measured at fair value on a recurring basis	**8,917.14**	**15,936.01**	**-**	**24,853.15**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Currency Forward	-	-	-	-
Total derivative financial instruments	**-**	**-**	**-**	**-**
Total financial liabilities measured at fair value on a recurring basis	**-**	**-**	**-**	**-**

As at March 31, 2019

(₹ in lacs)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	36,389.75	-	36,389.75
Equity instruments	10,603.97	-	80.04	10,684.01
Security Receipts	-	1,858.44	-	1,858.44
Pass through Certificate	-	3,973.53	-	3,973.53
Total financial assets held for trading	**10,603.97**	**42,221.73**	**80.04**	**52,905.74**
Total assets measured at fair value on a recurring basis	**10,603.97**	**42,221.73**	**80.04**	**52,905.74**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

47. FAIR VALUE MEASUREMENT (Contd.)

(₹ in lacs)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Currency Forward	297.39	-	-	297.39
Total derivative financial instruments	**297.39**	**-**	**-**	**297.39**
Total financial liabilities measured at fair value on a recurring basis	**297.39**	**-**	**-**	**297.39**

47.3 Valuation techniques

Equity instruments

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the net worth of the investee Company

Mutual Funds

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

Foreign exchange contracts

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Group classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Group requires significant unobservable inputs to calculate their fair value.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

47. FAIR VALUE MEASUREMENT (Contd.)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in lacs)

Particulars	Equity instruments	
	As at March 31, 2020	As at March 31, 2019
Opening Balance	**80.04**	**50.67**
Purchases	-	-
Sales	(1,252.24)	-
Issuances	-	-
Settlements	-	-
Transfers into Level 3	-	-
Transfers from Level 3	-	-
Net interest income, net trading income and other income	1,172.20	-
Other comprehensive income	-	-
Closing Balance	**-**	**80.04**
Unrealised gains and losses related to balances held at the end of the year	**-**	**29.37**

47.4 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(₹ in lacs)

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
	As at March 31, 2020	As at March 31, 2020		
Equity Instruments	-	-	NA	NA

(₹ in lacs)

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
	As at March 31, 2019	As at March 31, 2019		
Equity Instruments	80.04	-	Based on the net worth of the investee Group	net worth of the investee Group

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

47. FAIR VALUE MEASUREMENT (Contd.)

47.5 Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, instruments classified as FVTPL would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

The table below shows data in relation to Level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Group is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

(₹ in lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Equity instrument	-	-	29.37	-

47.6 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non financial liabilities.

(₹ in lacs)

As at March 31, 2020	Carrying Amount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	2,24,053.78	2,24,053.78	-	-	2,24,053.78
Bank balance other than cash and cash equivalents	97,859.03	92.88	97,766.15	-	97,859.03
Receivables	90.41	-	-	90.41	90.41
Loans	28,60,101.36	-	-	28,80,681.88	28,80,681.88
Investments	47,463.22	48,166.31	-	-	48,166.31
Other financial assets	11,601.04	-	-	11,601.04	11,601.04
Total financial assets	**32,41,168.84**	**2,72,312.97**	**97,766.15**	**28,92,373.33**	**32,62,452.45**
Financial liabilities:					
Derivative financial instruments	-	-	-	-	-
Other Payables	8,096.32	-	-	8,096.32	8,096.32
Debt securities	4,85,324.94	-	4,51,604.79	-	4,51,604.79
Borrowings (other than debt securities)	15,99,030.53	-	16,08,685.75	-	16,08,685.75
Deposits	4,01,206.80	-	-	3,91,532.19	3,91,532.19
Subordinated liabilities	23,923.91	-	-	23,923.91	23,923.91
Other financial liabilities	49,945.42	-	-	49,945.42	49,945.42
Total financial liabilities	**25,67,527.92**	**-**	**20,60,290.54**	**4,73,497.84**	**25,33,788.38**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

47. FAIR VALUE MEASUREMENT (Contd.)

(₹ in lacs)

As at March 31, 2019	Carrying Amount	Fair Value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	99,584.06	99,584.06	-	-	99,584.06
Bank balance other than cash and cash equivalents	30,419.46	91.95	30,327.51	-	30,419.46
Receivables	4.07		-	4.07	4.07
Loans	28,81,075.06	-	-	28,77,708.07	28,77,708.07
Investments	39,186.66	39,699.37	-	-	39,699.37
Other financial assets	3,520.10	-	-	3,520.10	3,520.10
Total financial assets	**30,53,789.41**	**1,39,375.38**	**30,327.51**	**28,81,232.24**	**30,50,935.13**
Financial liabilities:					
Derivative financial instruments	297.39	-	297.39	-	297.39
Other Payables	6,535.73	-	-	6,535.73	6,535.73
Debt securities	4,26,704.75	-	4,27,952.55	-	4,27,952.55
Borrowings (other than debt securities)	16,25,015.74	-	16,21,770.32	-	16,21,770.32
Deposits	3,11,940.61	-	-	3,07,777.37	3,07,777.37
Subordinated liabilities	65,370.95	-	-	83,617.95	83,617.95
Other financial liabilities	32,673.91	-	-	32,673.91	32,673.91
Total financial liabilities	**24,68,539.08**	**-**	**20,50,020.26**	**4,30,604.96**	**24,80,625.22**

Note:

The management assessed that cash and cash equivalents, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

47.7 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Group uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.

47. FAIR VALUE MEASUREMENT (Contd.)

Financial assets at amortised cost

The fair values of financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on market prices for similar instruments or on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

Fair Value Measurement - Non-Financial assets

Repossessed House Property are non-financial assets which are measured at fair value through profit and loss. At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a re-valuation.

The non-recurring fair value measurement for the assets Repossessed House Property has been categorized as a Level 3 fair value based on the inputs to the valuation techniques used.

(₹ in lacs)

Particulars	Fair Value Hierarchy - Level 3	
	As at March 31, 2020	As at March 31, 2019
Non-Financial assets at fair value through profit or loss:		
Repossessed House Property	7,290.55	7,927.96
Total	**7,290.55**	**7,927.96**

48. RISK MANAGEMENT

Whilst risk is inherent in the Group's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

48. RISK MANAGEMENT (Contd.)

48.1 Introduction and Risk Profile

48.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Group.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee.

The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Group. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

The Group's policy is that risk management processes throughout the Group are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

48.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Group can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

48.1.3 Risk measurement and reporting systems

The Group's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department. The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Group.

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Group is exposed to that they decide to take on. The Group's continuous training and development emphasises that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

48. RISK MANAGEMENT (Contd.)

48.1.4 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/ Group.

48.2 Credit Risk

CCredit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Group. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Group's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

48.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Group is also exposed to a settlement risk, being the risk that the Group honours its obligation, but the counterparty fails to deliver the counter value.

48.2.2 Impairment assessment

48.2.2.1 Definition of default

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

48. RISK MANAGEMENT (Contd.)

-The borrower requesting emergency funding from the Group

-A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral

-A covenant breach not waived by the Group

-The debtor (or any legal entity within the debtor's Group) filing for bankruptcy application/protection

- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

48.2.2.2 PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Group. While arriving at the PD, the Group also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Group calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

48.2.2.3 Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

48.2.2.4 Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realization of any security.

48.2.2.5 Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Group assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Group may also consider that events explained in Note 48.2.2.1 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Group of similar assets (as set out in Note 48.2.2.6), the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

48.2.2.6 Grouping financial assets measured on a collective basis

As explained in Note dependant on the factors below, the Group calculates ECLs only on a collective basis

The Group segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Gold Loans
2. Auto Loans
3. MSME Loans

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

48. RISK MANAGEMENT (Contd.)

4. Two wheelers Loans
5. Personal Loans
6. Home Loan

48.2.3 Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2020 was ₹ 3,597.57 lacs (March 31, 2019 ₹ 4,500.00 lacs)

Credit risk exposure analysis

(₹ in lacs)

Particulars	As at March 31, 2020				
	Stage 1 Collective	Stage 2 Collective	Stage 3	POCI	Total
Normal	26,55,317.47	1,81,594.06	2,29,336.53	-	**30,66,248.06**
Repossessed	-	-	1,841.22	-	**1,841.22**
Total	**26,55,317.47**	**1,81,594.06**	**2,31,177.75**	**-**	**30,68,089.28**

(₹ in lacs)

Particulars	As at March 31, 2019				
	Stage 1 Collective	Stage 2 Collective	Stage 3	POCI	Total
Normal	23,34,566.72	4,78,925.82	2,61,652.24	-	**30,75,144.78**
Repossessed	-	-	1,181.52	-	**1,181.52**
Total	**23,34,566.72**	**4,78,925.82**	**2,62,833.76**	**-**	**30,76,326.30**

48.3 Liquidity risk and funding management

In assessing the Group's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds.

The Group maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Group also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Group's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month.

Borrowings from banks and financial institutions , issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

48. RISK MANAGEMENT (Contd.)

48.3.2. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2020:

(₹ in lacs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	2,28,519.32	18,712.31	78,530.01	812.85	-	-	**3,26,574.49**
Trade Receivables	89.76	-	-	-	-	-	**89.76**
Other than Trade Receivables	0.65	-	-	-	-	-	**0.65**
Financial assets at fair value through profit and loss	-	-	-	-	-	-	**-**
Loans	5,05,882.33	5,37,926.30	8,47,756.49	12,48,307.48	4,42,291.91	3,83,043.14	**39,65,207.65**
Financial investments at amortised cost	12,794.82	81.18	27,879.79	1,519.16	8,784.54	124.52	**51,184.00**
Financial investments at FVOCI	219.59	100.26	199.78	664.80	660.39	9,738.63	**11,583.45**
Financial investments at FVTPL	12,767.35	-	-	442.64	442.64	442.64	**14,095.27**
Other Financial Assets	737.72	693.25	3,491.21	4,254.93	3,077.74	4,439.75	**16,694.60**
Total undiscounted financial assets	**7,61,011.54**	**5,57,513.30**	**9,57,857.28**	**12,56,001.86**	**4,55,257.22**	**3,97,788.68**	**43,85,429.87**
Financial liabilities							
Derivative Financial Instruments	-	-	-	-	-	-	**-**
Deposits	31,783.76	33,963.96	60,674.91	2,62,758.11	82,504.67	-	**4,71,685.42**
Debt securities	79,125.75	12,361.49	1,00,662.08	3,29,913.66	40,806.03	-	**5,62,869.01**
Borrowings (other than debt securities)	3,08,206.16	2,49,106.11	4,20,437.47	7,06,943.46	98,462.65	3,460.71	**17,86,616.56**
Subordinated Liabilities	13,943.15	10,640.32	1.07	-	-	-	**24,584.54**
Other Financial Liabilities	27,692.80	2,242.19	5,232.18	665.80	421.22	16,248.03	**52,502.23**
Trade Payables	8,096.32	-	-	-	-	-	**8,096.32**
Total undiscounted financial liabilities	**4,68,847.94**	**3,08,314.07**	**5,87,007.72**	**13,00,281.03**	**2,22,194.57**	**19,708.74**	**29,06,354.08**
Net undiscounted financial assets/(liabilities)	**2,92,163.59**	**2,49,199.23**	**3,70,849.56**	**(44,279.17)**	**2,33,062.64**	**3,78,079.94**	**14,79,075.79**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

48. RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2019:

(₹ in lacs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	99,825.02	32.84	15,332.41	17,138.64	129.42	-	**1,32,458.33**
Trade Receivables	-	-	-	-	-	-	**-**
Other than Trade Receivables	4.07	-	-	-	-	-	**4.07**
Loans	5,16,949.93	5,01,545.07	8,24,411.05	12,35,981.16	4,55,474.26	4,80,273.26	**40,14,634.73**
Financial investments at amortised cost	1,386.33	89.74	20,069.81	13,709.37	9,248.64	125.61	**44,629.50**
Financial investments at FVOCI	667.00	470.10	829.23	780.60	652.97	1,788.60	**5,188.51**
Financial investments at FVTPL	36,389.75	-	-	619.48	619.48	11,303.49	**48,932.20**
Other Financial Assets	43.73	10.00	3,445.41	53.28	318.00	19.81	**3,890.23**
Total undiscounted financial assets	**6,55,265.84**	**5,02,147.75**	**8,64,087.92**	**12,68,282.53**	**4,66,442.76**	**4,93,510.77**	**42,49,737.57**
Financial liabilities							
Derivative Financial Instruments	-	-	297.39	-	-	-	**297.39**
Deposits	32,591.37	27,196.30	53,575.91	1,94,413.60	51,741.61	-	**3,59,518.79**
Debt securities	15,542.92	94,040.97	79,486.81	2,66,809.58	51,354.44	4,412.00	**5,11,646.73**
Borrowings (other than debt securities)	4,64,821.90	1,70,102.58	3,39,733.72	7,39,774.96	1,23,217.97	1,682.72	**18,39,333.85**
Subordinated Liabilities	8,425.13	6,630.37	30,419.33	25,975.26	-	-	**71,450.09**
Other Financial Liabilities	26,773.84	113.76	9,381.47	26.79	275.33	21.53	**36,592.71**
Trade Payables	6,764.54	-	-	-	-	-	6,764.54
Total undiscounted financial liabilities	**5,54,919.71**	**2,98,083.99**	**5,12,894.62**	**12,27,000.19**	**2,26,589.35**	**6,116.25**	**28,25,604.10**
Net undiscounted financial assets/(liabilities)	**1,00,346.13**	**2,04,063.76**	**3,51,193.30**	**41,282.32**	**2,39,853.41**	**4,87,394.52**	**14,24,133.47**

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

(₹ in lacs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 5 years	Total
As at March 31,2020					
In respect of Income tax demands where the Group has filed appeal before various authorities	-	-	-	194.53	**194.53**
VAT demand where the Group has filed appeal before various Appellate	-	-	-	259.95	**259.95**
Service tax demand	-	-	-	8,019.29	**8,019.29**
Guarantees and counter guarantees	-	-	-	2,635.00	**2,635.00**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

48. RISK MANAGEMENT (Contd.)

(₹ in lacs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 5 years	Total
Estimated amount of contracts remaining to be executed on capital account, net of advances	306.34	-	-	-	**306.34**
Commitments related to loans sanctioned but undrawn	19,409.55	-	-	-	**19,409.55**
Total commitments	**19,715.89**	**-**	**-**	**11108.77**	**30,824.66**
As at March 31, 2019					
In respect of Income tax demands where the Group has filed appeal before various authorities	-	-	-	1,517.38	**1,517.38**
VAT demand where the Group has filed appeal before various Appellate	-	-	-	266.45	**266.45**
Service tax demand	-	-	-	3,802.12	**3,802.12**
Guarantees and counter guarantees	-	-	-	2,635.00	**2,635.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	-	233.57	-	**233.57**
Commitments related to loans sanctioned but undrawn	1,676.85	2,347.59	2,682.96	-	**6,707.40**
Total commitments	**1676.85**	**2347.59**	**2916.53**	**8220.95**	**15,161.92**

48.4 Market Risk

Market risk is that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

48.4.1 Total market risk exposure

(₹ in lacs)

Particulars	As at March 31, 2020			As at March 31, 2019			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Assets							
Cash and cash equivalents and other bank balances	3,21,912.81	-	3,21,912.81	1,30,003.52	-	1,30,003.52	interest rate
Receivables	90.41		90.41	4.07	-	-	interest rate
Loans	28,60,101.36	-	28,60,101.36	28,81,075.06	-	28,81,075.06	interest rate
Financial investments at amortised cost	47,466.84	-	47,466.84	39,181.92	-	39,181.92	interest rate
Financial investments at FVTPL	14,095.27	14,095.27	-	40,368.03	40,368.03	-	interest rate and equity price
Financial Investment at FVTOCI	10,757.87	-	10,757.87	12,542.45	-	12,542.45	equity price
Other financial assets	11,601.04		11,601.04	3,799.49	-	3,799.49	interest rate
Total	**32,66,025.60**	**14,095.27**	**32,51,930.33**	**31,06,974.54**	**40,368.03**	**30,66,602.44**	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

48. RISK MANAGEMENT (Contd.)

(₹ in lacs)

Particulars	As at March 31, 2020			As at March 31, 2019			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Liabilities							
Derivative financial instruments	-	-	-	297.39	-	-	interest rate/FX
Other Payables	8,096.32	-	8,096.32	6,764.54	-	6,764.54	interest rate
Debt securities	4,85,324.94	-	4,85,324.94	4,26,704.75	-	4,26,704.75	interest rate
Borrowings (other than debt securities)	15,99,030.53	-	15,99,030.53	16,21,939.32	-	16,21,939.32	interest rate
Deposits	4,01,206.80	-	4,01,206.80	3,11,940.61	-	3,11,940.61	interest rate
Subordinated liabilities	23,923.91	-	23,923.91	65,370.95	-	65,370.95	interest rate
Other financial liabilities	49,945.42	-	49,945.42	35,521.51	-	35,521.51	interest rate
Total	**25,67,527.92**	**-**	**25,67,527.92**	**24,68,539.07**	**-**	**24,68,241.68**	

49. Based on the intimation received by the Group, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount remaining unpaid to supplier as at the end of the year	-	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

50. In addition to the auditors remuneration shown under note 38 other expenses, the Group has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with public issue of non-convertible debentures of March 31, 2020 ₹ 20.71 lacs (March 31, 2019: ₹ Nil) [including out-of-pocket expenses of March 31, 2020: Nil (March 31, 2019: ₹ Nil)] amortised portion of which is included in note 34 Finance Costs under interest on debentures and unamortised portion of which is included in note 21 Debt securities under Redeemable non-convertible debentures - Secured -Public issue.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

51. The Group is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

52. Expenditure in foreign currency : Nil (March 31, 2019: Nil)

53. The Group had no discontinuing operations during the year ended March 31, 2020.

54. EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

55. In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Group has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of ₹ 20,200.00 lacs, ₹ 26,205.11 lacs and ₹ 19,988.99 lacs respectively (March 31, 2019 ₹ 20,200.00 lacs, ₹ 17,850.01 lacs and ₹ 15,000.00 lacs respectively) in favour of trustees representing the public deposit holders of the Group.

56. DISCLOSURE ON LOAN AGAINST GOLD AS ON MARCH 31, 2020 VIDE RBI NOTIFICATION DNBS.CC.PD.NO.265/03.10.01/2011-12 DATED MARCH 21, 2012:

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Asset under Management	30,68,089.28	30,76,326.30
Total Loan against Gold	3,11,888.26	2,71,208.49
Percentage of Gold Loan on Total Assets (On Book)	10.17%	8.82%

57. TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities

Shriram City Union Finance Limited

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	3,60,074.75	1,11,251.12
Carrying amount of associated liabilities (Borrowings (other than debt securities)- measured at amortised cost)	3,77,760.19	1,14,327.54
Fair value of assets	3,75,611.72	1,20,323.84
Fair value of associated liabilities	3,87,415.42	1,14,158.54
Net position at FV	(11,803.70)	6,165.30

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

57. TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY (Contd.)

Shriram Housing Finance Limited

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	3,972.51	-
Carrying amount of associated liabilities (Borrowings (other than debt securities)- measured at amortised cost)	4,019.31	-
Fair value of assets	3,972.15	-
Fair value of associated liabilities	4,019.31	-
Net position at FV	(47.16)	-

58. DISCLOSURE RELATING TO SECURITISATION

Shriram City Union Finance Limited

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total number of transactions under par structure	15	2
Total book value of assets	3,99,923.33	1,16,057.25
Sale consideration received	3,99,923.33	1,16,057.25

Shriram Housing Finance Limited

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total number of transactions under par structure	1	-
Total book value of assets	4,464.59	-
Sale consideration received	4,464.59	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

58. DISCLOSURE RELATING TO SECURITISATION (Contd.)

Shriram City Union Finance Limited

The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below:

(₹ in lacs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	No. of SPVs sponsored by the company for securitisation transactions (in No.)	18	3
2	Total amount of securitised assets as per books of the SPVs sponsored by the company	3,60,074.75	1,11,251.12
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet		
a)	Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
b)	On-balance sheet exposures		
	First loss	70,520.71	14,469.00
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
a)	Off-balance sheet exposures		
i)	Exposure to own securitisations		
	First loss	-	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
b)	On-balance sheet exposures		
i)	Exposure to own securitisations		
	First loss	-	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

Shriram Housing Finance Limited

The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below:

(₹ in lacs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	No. of SPVs sponsored by the company for securitisation transactions (in No.)	1	-
2	Total amount of securitised assets as per books of the SPVs sponsored by the company	4,001.54	-
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

58. DISCLOSURE RELATING TO SECURITISATION (Contd.)

(₹ in lacs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
a)	Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
b)	On-balance sheet exposures		
	First loss	-	-
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
a)	Off-balance sheet exposures		
i)	Exposure to own securitisations		
	First loss	-	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
b)	On-balance sheet exposures		
i)	Exposure to own securitisations		
	First loss	647.50	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

59.1 DISCLOSURE RELATING TO ASSIGNMENT

Shriram City Union Finance Limited

(i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

(₹ in lacs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	No. of transactions Assigned by the Company	7	3
2	Total amount of Outstanding	47,619.99	74,003.06
3	Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet		
a)	Off-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
b)	On-Balance Sheet exposures		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

59.1 DISCLOSURE RELATING TO ASSIGNMENT (Contd.)

(₹ in lacs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	First loss	-	-
	Others	4,752.87	7,382.22
4	Amount of exposures to Assigned transaction other than MRR		
a)	Off-Balance Sheet exposures		
i)	Exposure to own securitisations		
	First loss	-	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
b)	On-Balance Sheet exposures		
i)	Exposure to own securitisations		
	First loss	-	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

(ii) Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium: Nil (March 31, 2019: Nil)

Shriram Housing Finance Limited

(i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

(₹ in lacs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	No. of transactions Assigned by the Company	6	-
2	Total amount of Outstanding	28,357.19	-
3	Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet		
a)	Off-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
b)	On-Balance Sheet exposures		
	First loss	-	-
	Others	4,470.22	-
4	Amount of exposures to Assigned transaction other than MRR		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

59.1 DISCLOSURE RELATING TO ASSIGNMENT (Contd.)

(₹ in lacs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
a)	Off-Balance Sheet exposures		
i)	Exposure to own securitisations		
	First loss	-	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
b)	On-Balance Sheet exposures		
i)	Exposure to own securitisations		
	First loss	-	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

(ii) Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium: Nil (March 31, 2019: Nil)

59.2 No financial assets are sold to Securitisation/Reconstruction company for asset reconstruction as on March 31, 2020 and March 31, 2019.

59.3 Details of Assignment transactions undertaken by the Company

Shriram City Union Finance Limited

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
No. of accounts	4,24,909.00	2,80,648.00
Aggregate value (net of provision) of account sold	1,45,361.90	88,204.33
Aggregate consideration	1,45,361.90	88,204.33
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	-	-

Pursuant to the directives dated March 13, 2020 from the Reserve Bank of India, the Board of Directors have approved the policy for sales out of amortised cost business model portfolios. The company has assigned loans (earlier measured at amortised cost) by way of direct assignment. Since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the company's Balance Sheet.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

59.1 DISCLOSURE RELATING TO ASSIGNMENT (Contd.)

Shriram Housing Finance Limited

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
No. of accounts	3,257.00	-
Aggregate value (net of provision) of account sold	29,176.61	-
Aggregate consideration	29,359.79	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	183.18	-

59.4 The Company has not purchased/sold non-performing assets for the year ended March 31, 2020 and March 31, 2019

60. INVESTMENTS

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(1) Value of investments		
(i) Gross value of investments		
(a) In India	63,402.84	81,493.17
(b) Outside India,	8,917.14	10,603.97
(ii) Provisions for depreciation		
(a) In India	(1.81)	(4.74)
(b) Outside India,	-	-
(iii) Net value of investments		
(a) In India	63,401.03	81,488.43
(b) Outside India,	8,917.14	10,603.97
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	4.74	19.88
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off/write-back of excess provisions during the year	(2.93)	(15.14)
(iv) Closing balance	**1.81**	**4.74**

61. DERIVATIVES

61.1 Forward rate agreement/Interest rate swap

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) The notional principal of forward agreements	-	7,098.00
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into forwards	-	500.00
(iv) Concentration of credit risk arising from the forward	-	-
(v) The fair value of the forward book	-	7,098.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

61. DERIVATIVES (Contd.)

61.2 Exchange Traded interest rate (IR) derivatives : Nil

61.3 Disclosures on risk exposure of derivatives

Qualitative disclosures

The Group has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Group undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

Quantitative Disclosures

(₹ in lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i) Derivatives (Notional principal amount)	-	-	-	-
For hedging	-	-	7,098.00	-
(ii) Marked to market positions [1]	-	-	-	-
a) Asset (+)	-	-	-	-
b) Liability (-)	-	-	297.39	-
(iii) Credit exposure [2]	-	-	-	-
(iv) Unhedged exposures	-	-	-	-

62. RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

62.1 Shriram City Union Finance Limited

Rating Agency	Rating Instrument	As at March 31, 2020	As at March 31, 2019
India Ratings	Long-Term (NCDs)	IND AA/ Stable	IND AA/ Stable
	Short-Term (CP)	IND A1+	IND A1+
	Bank Loan Ratings	IND AA/ Stable	IND AA/ Stable
	Fixed deposit	IND tAA/ Stable	IND tAA/ Stable
CARE	Long-Term (NCDs)	CARE AA+ /Stable	CARE AA+ /Stable
	Short-Term (CP)	CARE A1+	CARE A1+
	Subordinate Debt	CARE AA+ /Stable	CARE AA+ /Stable
	Fixed deposit	CARE AA+ (FD) / Stable	CARE AA+ (FD) / Stable
ICRA	Long-Term (NCDs)	ICRA AA / Stable	ICRA AA / Stable
	Short-Term (CP)	ICRA A1+	ICRA A1+
	Fixed deposit	MAA+ / Stable	MAA+ / Stable
CRISIL	Long-Term (NCDs)	CRISIL AA / Stable	CRISIL AA / Stable
	Short-Term (CP)	CRISIL A1+	NA
	Subordinate Debt	CRISIL AA / Stable	CRISIL AA / Stable

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

62. RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR (Contd.)

62.2. Shriram Housing Finance Limited

Rating Agency	Rating Instrument	As at March 31, 2020	As at March 31, 2019
India Ratings	Long-Term (NCDs)	IND AA / Stable	IND AA / Stable
	Bank Loan Ratings	IND AA / Stable	IND AA / Stable
CARE	Long-Term (NCDs)	CARE AA+	CARE AA+
	Short-Term (CP)	CARE A1+	CARE A1+
	Long-Term Bank Loan Ratings	CARE AA+	NA
	Short-Term Bank Loan Ratings	CARE A1+	NA
	Subordinate Debts	CARE AA+	NA
CRISIL	Bank Loan Ratings	CRISIL AA	NA
	Long-Term (NCDs)	CRISIL AA	NA

63. EXPOSURE TO REAL ESTATE SECTOR

(₹ in lacs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
i)	**Residential Mortgages -** Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	2,95,095.70	2,02,793.12
ii)	**Commercial Real Estate -** Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	92,654.80	72,908.04
iii)	**Investments in Mortgage Backed Securities(MBS) and other securitised exposures -**		
	Residential	76.57	144.28
	Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	**3,87,827.07**	**2,75,845.44**

64. EXPOSURE TO CAPITAL MARKET

(₹ in lacs)

	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	21,684.49	47,073.76
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	4,014.92

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

64. EXPOSURE TO CAPITAL MARKET (Contd.)

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows/issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total exposure to capital market	**21,684.49**	**51,088.68**

65. DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

The Group does not have any Parent Company, hence not applicable.

66. DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC

The Group has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

67. UNSECURED ADVANCES

The Group has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

68. PROVISIONS AND CONTINGENCIES

A. Shriram City Union Finance Limited

(₹ in lacs)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2020	Year ended March 31, 2019
Provisions for depreciation on investments	-	-
Provision towards NPA#	(2,699.21)	(9,965.98)
Provision made towards income tax	35,448.10	53,144.47
Provision for Standard Assets##	14,449.61	23,433.85
Provision towards impairment of financial instruments other than provision for stage 3 assets	97.45	-

Provision for stage 3 assets

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

68. PROVISIONS AND CONTINGENCIES (Contd.)

B. Shriram Housing Finance Limited

(₹ in lacs)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2020	Year ended March 31, 2019
Provisions for depreciation on investments##	(2.94)	(15.19)
Provision towards NPA#	943.36	(1,390.63)
Provision made towards income tax	1,422.52	(92.94)
Provision for Standard Assets#	42.93	(375.64)
Other Provision and Contingencies		
Provision for Gratuity	38.09	(45.32)
Provision for Leave benefits	(34.67)	89.87
Provision for Non funded exposures	89.91	(17.16)

Amount shown is as per expected credit loss(ECL) of loans & non funded exposure as per Ind AS

Amount shown is as per expected credit loss(ECL) of investment & ECL on interest on investment as per Ind AS

69. DRAW DOWN FROM RESERVES

The draw down from reserves was ₹ Nil.

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS

I. Shriram City Union Finance Limited

a) Concentration of deposits (for deposit taking NBFCs)

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total deposits of twenty largest depositors	11,139.28	7,992.67
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.78%	2.56%

b) Concentration of advances

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total advances to twenty largest borrowers	36,697.71	45,831.51
Percentage of advances to twenty largest borrowers to total advances of the NBFC	1.28%	1.59%

c) Concentration of exposures

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total exposure to twenty largest borrowers/customers	30,081.83	39,148.78
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	1.05%	1.35%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (Contd.)

d) Concentration of NPAs #

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Exposure to top four NPA accounts	5,549.65	5,387.04

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

e) Sector-wise NPAs #

S. No.	Sector	As at March 31, 2020	As at March 31, 2019
		Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME / Corporate borrowers	8.33%	9.24%
3	Services	-	-
4	Unsecured personal loans	11.59%	11.17%
5	Auto loans		
i)	Auto Loans	5.42%	11.63%
ii)	Two wheeler	8.12%	9.61%
6	Other personal loans		
i)	Consumer Durable	-	-
ii)	Pledged Jewel	4.37%	2.34%
7	Others	0.84%	1.94%

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

II. Shriram Housing Finance Limited

(i) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Deposits of twenty largest depositors	N.A.	N.A.
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (Contd.)

(ii) Concentration of Loans & Advances

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Loans & Advances to twenty largest borrowers	20,949.10	22,451.60
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	10.48%	12.32%

(iii) Concentration of all Exposure (including off-balance sheet exposure)

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Exposure to twenty largest borrowers /customers	22,588.89	23,801.26
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	10.34%	12.60%

(iv) Concentration of NPAs

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Exposure to top ten NPA accounts	1,242.58	1,345.24

Provision for stage 3 assets

(v) Sector-wise NPAs

S. No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:	
1	Individuals	1.34%
2	Builders/Project Loan	-
3	Corporates	-
4	Others (specify)	-
B.	Non-Housing Loans:	
1	Individuals	1.81%
2	Builders/Project Loan	-
3	Corporates	0.69%
4	Others (specify)	-

Provision for stage 3 assets

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (Contd.)

(vi) Details of non- performing financial assets sold :

(₹ in lacs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	No. of accounts sold	-	355.00
2	Aggregate outstanding (₹ in lacs)	-	7,692.17
3	Aggregate consideration received (₹ in lacs)	-	3,776.00

Movement of NPAs #

A. Shriram City Union Finance Limited

(₹ in lacs)

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
(i)	Net NPAs to Net Advances (%)	4.23%	5.23%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	2,57,668.91	2,59,384.94
	(b) Additions during the year	1,11,806.13	1,31,196.11
	(c) Reductions during the year	1,43,181.31	1,32,912.14
	(d) Closing balance	2,26,293.73	2,57,668.91
(iii)	Movement of Net NPAs		
	(a) Opening balance	1,45,294.56	1,37,044.91
	(b) Additions during the year	59,044.65	74,039.67
	(c) Reductions during the year	87,720.62	65,790.02
	(d) Closing balance	1,16,618.58	1,45,294.56
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1,12,374.35	1,22,340.03
	(b) Provisions made during the year	52,761.48	57,156.44
	(c) Write-off / write-back of excess provisions	55,460.69	67,122.12
	(d) Closing balance	1,09,675.14	1,12,374.35

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (Contd.)

B. Shriram Housing Finance Limited

(₹ in lacs)

Particulars			Year ended March 31, 2020	Year ended March 31, 2019
(i)	Net NPAs to Net Advances (%)		1.90%	2.20%
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	5,164.84	10,049.42
	(b)	Additions during the year	2,646.46	3,476.79
	(c)	Reductions during the year	2,927.29	8,361.37
	(d)	Closing balance	**4,884.01**	**5,164.85**
(iii)	Movement of Net NPAs			
	(a)	Opening balance	4,049.24	7,543.18
	(b)	Additions during the year	2,043.69	2,773.12
	(c)	Reductions during the year	2,267.88	6,267.06
	(d)	Closing balance	**3,825.05**	**4,049.24**
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	1,115.58	2,506.24
	(b)	Provisions made during the year	602.77	750.57
	(c)	Write-off/write-back of excess provisions	659.41	2,141.21
	(d)	Closing balance	**1,058.94**	**1,115.61**

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

The spread of SARS-CoV-2 virus (referred as 'COVID-19') across the globe and in India has contributed to a significant decline and volatility in global and Indian financial markets and a shrink in the economic activities. The Government of India declared 21-day nation-wide lock-down to contain the pandemic COVID-19 with effect from March 25, 2020. The Government then extended the lockdown till May 31, 2020. However, the government relaxed the lock-down in certain essential areas including plying commercial vehicles for transportation of essential and non-essential goods across the country. In terms of COVID-19 regulatory package announced by Reserve Bank of India (RBI) on March 27, 2020 and in accordance with the Scheme approved by the Board of directors of the Group, the Group has extended the moratorium to the eligible borrowers for installment falling due between March 1, 2020 and May 31, 2020. Further, pursuant to RBI notification dated May 23, 2020, the moratorium is given to eligible borrowers for a further period of three months upto August 31, 2020. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The staging of accounts as on March 31, 2020 with respect to assets which were overdue though standard and to whom moratorium has been granted is based on the days past due as on February 29, 2020 keeping it at standstill. Further, estimates and associated assumptions applied in preparing the financial statements, especially in respect of credit loss on loans, are based on historical experience and other emerging/ forward looking factors including those arising on account of the COVID-19 pandemic.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (Contd.)

The Group has used relevant indicators of moratorium, considering various measures taken by Government and other authorities along with an estimation of potential stress on probability of defaults and loss given defaults due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit loss on loans, including on account of potential macro economic conditions. Based on such assessment, the Group has made additional expected credit loss provision of ₹ 43,603.67 lacs on account of COVID-19 impact in the financial statement. The impairment loss provided for on account of COVID-19 pandemic is based on the assessment of current situation and the actual impairment loss could be different due to uncertainty over duration of pandemic and restoration of normalcy.

71. OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Group does not have any joint venture or subsidiary abroad, hence not applicable.

72. OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

The Group has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

73. CUSTOMER COMPLAINTS

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
(a)	Number of complaints pending at the beginning of the year	20	223
(b)	Number of complaints received during the year	2,792	4,286
(c)	Number of complaints redressed during the year	2,787	4,489
(d)	Number of complaints pending at the end of the year	25	20

74. AUCTION DETAILS

The company auctioned 1799 loan accounts (March 31,2019: 3,304 accounts) during the financial year and the outstanding dues on these loan accounts were ₹ 313.65 (March 31, 2019: ₹ 1,077.39 lacs) till the respective dates of auction. The company realized ₹ 306.51 (March 31, 2019 : ₹ 1,042.24 lacs) on auctioning of gold jewellery taken as security on these loans. The company confirms that none of its sister concerns participated in the above auctions.

75. PENALTIES:

No penalties have been levied by any regulator on the Group.

76. RESTRUCTURED ACCOUNTS

Restructured Accounts : Nil (March 31, 2019: Nil)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

77. DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR

Vide DNBS. PD. CC NO. 256/03.10.042/2011-12 dated 02 MARCH, 2012

I. Shriram City Union Finance Limited

Instances of fraud for the year ended March 31, 2020:

(₹ in lacs)

Particulars	Less than ₹ 1 Lac		₹ 1 Lac to ₹ 25 Lacs		Greater than ₹ 25 Lacs		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Staff & Customer	-	-	7	25.50	-	-	7	25.50
Customer	-	-	1	11.00	-	-	1	11.00
Customer & Outsider	-	-	-	-	-	-	-	-
Staff, Customer & Outsider	-	-	-	-	-	-	-	-
Total	**-**	**-**	**8**	**36.50**	**0**	**0**	**8**	**36.50**
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	7	25.50	-	-	7	25.50
Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	-	-	1	11.00	-	-	1	11.00
Total	**-**	**-**	**8**	**36.50**	**-**	**-**	**8**	**36.50**

"- "represents Nil

II. Shriram Housing Finance Limited

Instances of fraud for the year ended March 31, 2020: Nil

78. TRANSFER TO RESERVE FUND:

As per Section 29C of the National Housing Bank Act, 1987, the Subsidiary is required to transfer at least 20% of net profits every year to Reserve Fund. The Company has transferred an amount of ₹ 932.80 Lacs (Previous Year ₹ 337.99 Lacs).

Shriram Housing Finance Limited

(₹ in lacs)

Particulars		As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	761.38	423.39
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act 1987.	2,037.31	2037.31
c)	**Total**	**2,798.69**	**2,460.70**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

78. TRANSFER TO RESERVE FUND: (Contd.)

(₹ in lacs)

Particulars			As at March 31, 2020	As at March 31, 2019
Addition / Appropriation / Withdrawal during the period				
Add:	a)	Amount transferred u/s 29C of the NHB Act, 1987	398.08	337.99
	b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act 1987.	534.72	-
Less:	a)	Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
	b)	Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the period				
a)		Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	1,159.46	761.38
b)		Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	2,572.03	2037.31
c)		**Total**	**3,731.49**	**2,798.69**

79. ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2020

(₹ in lacs)

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	9,781.80	10,148.78	11,456.95	32,897.45	57,201.65	2,21,190.03	58,530.14	-	4,01,206.80
Advances	1,37,628.10	93,375.72	1,35,020.48	4,06,351.40	6,47,703.15	9,50,035.19	2,50,403.50	2,39,583.82	28,60,101.36
Investments	13,144.73	52.56	12,328.80	61.10	26,558.33	801.13	8,986.55	10,384.97	72,318.17
Borrowings	70,359.39	82,484.51	98,453.07	1,84,849.31	6,15,907.29	9,28,263.02	1,24,294.25	3,668.55	21,08,279.39
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

79. ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES (Contd.)

As at March 31, 2019

(₹ in lacs)

Particulars	Upto 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	12,444.77	10,967.57	11,039.25	27,697.66	50,850.49	1,62,052.31	36,888.56	-	3,11,940.61
Advances	1,52,335.48	1,14,406.54	1,16,302.89	3,76,607.41	6,26,105.15	9,19,751.22	2,71,341.02	3,04,225.35	28,81,075.06
Investments	36,864.42	197.80	509.71	413.83	18,766.20	13,083.54	9,113.50	13,143.40	92,092.40
Borrowings	1,81,608.72	91,773.06	1,77,841.38	2,10,694.37	4,13,814.83	8,79,378.67	1,54,722.60	154.37	21,09,987.99
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	7,103.45	-	-	-	7,103.45

80. PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to confirm to current year's classification.

As per our report of even date

For G D Apte & Co
Chartered Accountants
Firm Registration No. 100515W

Anagha M. Nanivadekar
Partner
Membership No. 121007
Pune, June 11, 2020

Place: Chennai
Date: June 11, 2020

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarthi
Managing Director & CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

NOTES

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Shriram City Union Finance Ltd.

Annual Report

2020-21

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Disclaimer Statement

This document contains statements about expected future events and financials of Shriram City Union Finance Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

Investor Information	
Market Capitalisation as on March 31, 2021	₹ 9,002 crores
CIN	L65191TN1986PLC012840
BSE Code	532498
NSE Symbol	SHRIRAMCIT
Bloomberg Code	SCUF:IN
Dividend Declared and Paid	Interim dividend ₹ 10/- per share; Second interim dividend ₹ 10/- per share
AGM Date	July 29, 2021
AG Mode	Video Conferencing

PERSISTENCE AND PROGRESS

Covid-19 pandemic creaked havoc on the world around us. Amidst this mayhem, the resilient and agile enterprises with adaptive business model and inclusive corporate culture ***'Persisted and Progressed'*** to achieve success through leveraging their technological prowess.

Shriram City continues to drive forward its growth momentum in domestic NBFC space through its unique business model, decades of strong experience and patronage of the promoter group, all-encompassing product portfolio, robust network base across regions, customer-centric product solutions & service and performance driven corporate culture. Amidst these challenging times of pandemic also, we have demonstrated solid persistence through optimal and innovative usage of our digital platforms to adapt to the new normal and progressed ahead to create a much more resilient organisation to thrive with its full potential for generations to come

KPI's of 2020-21

₹ 29,571 crores
Assets Under Management (AUM)

₹ 5,738.43 crores
Total Income

7.64 %
Pre-Provision Profits

₹ 3,604.55 crores
Net Interest Income (NII)

19.57 %
Yield

₹ 1,389.39 crores
Profit Before Tax

12.29 %
Net Interest Margin

3.08 %
Net Non-Performing Assets (NPA)

28.64 %
Capital Adequacy Ratio (CAR)

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

Vision

Serving the under-served

Creating value at the bottom of the pyramid

Mission

Striving to serve the largest number of common people through quality non-banking financial services

ABOUT US

Shriram City Union Finance (SCUF) is one of the premier financial corporations in the NBFC space and is a part of the prestigious Shriram Group. It provides wide gamut of services through diversified product mix and robust distribution network to the under-served section of the society.

Since its inception in the year 1986, SCUF persisted and performed throughout the ages to serve the unbanked and under-served section of the society and has emerged as a preferred partner in the NBFC space by understanding the customer needs and serving them through its wide-ranging product offering across asset classes.

The Company is engaged in retail financing spectrum with significant presence across Micro, small and Medium Enterprise (MSME) financing, two-wheeler loans, gold loan, personal loan and auto loan business among others. SCUF has emerged as one of the best small enterprise finance company in the country and is dedicated to continuously serve the under-served section of the society through its state-of-the-art technology, widespread distribution network and 'inclusive' workforce, in years to come.

₹ 17,154 crores
Loan disbursed in FY2020-21

926
No. of branches

₹ 41.52 Lac
Active Customer Base

24,963
Employees as on March 31, 2021

How have we persisted and progressed?

- Business leadership in the under-served retail loan segment
- Sturdy business model with diversification across segments and asset classes
- Strong parentage and established performance track record
- Adequate capitalisation and robust balance sheet with appropriate liquidity
- Robust technological architecture with increased use of digitised methods for cashless collection and disbursements
- Competent and enthusiastic workforce depicting 'inclusive' work culture

Geographic break-up of

South | West | North

Branch Network

67 | 21 | 12

AUMs

2019-20

16,435 | 9,995 | 2,655

2020-21

17,125 | 9,484 | 2,962

Validating our credentials through strong credit ratings

Our credentials are validated through our strong credit ratings provided by all leading credit rating agencies in the country.

Long Term Rating

Crisil	ICRA	India Ratings & Research	Care Ratings
Crisil AA/ Stable	ICRA AA/ Stable	India AA/ Stable	Care AA/ Stable

Short Term Rating

Crisil	ICRA	Care Ratings
Crisil A1+	ICRA A1+	Care A1+

FD Rating

ICRA MAA+ / Stable

Bank Loan Rating

India Ratings & Research: India AA/ Stable

PERSISTENCE & PROGRESS THROUGH ALL-ENCOMPASSING PRODUCT CONTRIBUTIONS

We are believed to be one of the most trusted NBFC brands in India. We are committed to serve unbanked and under-served sections of the society by timely providing financing options through our MSME loans, two-wheeler loans, gold loans and other comprehensive loan offerings from our exclusive product suite. With long standing relationships with our customers, providing the much-needed money at right time has become our forte, thus creating a 'win-win' situation for both. Our customers have become our dedicated partners driving our nation-wide growth to reach the last mile needed. Amidst this challenging pandemic times, we showed astonishing persistence translated through our vigorous progress, enabled by our 'all-inclusive' product portfolio

Small Enterprise Finance

SCUF is one of the leading small enterprise finance company

50.96 %
AUM in FY2020-21

Year of Establishment	2006
Target segment	Serves the underserved micro, small and medium enterprises mostly 88% through collateral backed loans
Regional Presence	Strong presence in Andhra Pradesh, Maharashtra, Tamil Nadu and Telangana
Ticket size	₹ 10 to 15 lacs
Tenor	36 to 60 months
Yield Range	14-22%

Two-Wheeler Loans

23.28 %
AUM in FY2020-21

Year of Establishment	2002
Target segment	Mainly self-employed customers from rural and semi-urban areas
Regional Presence	Pan India presence Market leader in South India with high penetration in West, North and Central India
Ticket size	₹ 50,000 - 75000
Tenor	24 to 36 months
Yield Range	21-26%
Loan-to-Value (LTV)	75% - 90%

Personal Loans

SCUF provides personal loans to salaried and self-employed personnel

6.79 %
AUM in FY2020-21

Year of Establishment	2002
Target segment	Cross-sell to existing customers with good track record
Regional Presence	Pan India
Ticket size	₹ 50000 - 75000
Tenor	18 to 36 months
Yield Range	22-28%

Loan Against Gold

SCUF offers this product leveraging its existing infrastructure, network and controls

12.81 %
AUM in FY2020-21

Year of Establishment	2007
Target segment	Offers loans against gold ornaments to individuals
Regional Presence	Well-known player in Tamil Nadu, Maharashtra, Telangana, Andhra Pradesh and Karnataka
Ticket size	₹ 45,000 to 50,000
Tenor	Upto 12 months
Yield Range	14-18%
Loan-to-Value (LTV)	Upto 75%

Auto Loans

SCUF does relationship-based lending to the current and repeat customers

1.85 %
AUM in FY2020-21

Year of Establishment	2006
Target segment	Provides loan to purchase new and used passenger and commercial four wheelers
Regional Presence	Telangana, Andhra Pradesh, Maharashtra and Tamil Nadu
Ticket size	₹ 1,50,000 to 2,00,000
Tenor	24 to 48 months
Yield Range	18-24%
Loan-to-Value (LTV)	60-80%

Pre-Owned Two wheelers Loan

SCUF does relationship-based lending to the current and repeat customers

3.68 %
AUM in FY2020-21

Year of Establishment	2021
Target segment	Provides loans for used Two Wheelers
Regional Presence	Pan India
Ticket size	₹ 35000 – 50,000
Tenor	24 to 48 months
Yield Range	22-28%

Loans against Property

SCUF is offering the Loans against Property

0.63 %
AUM in FY2020-21

Year of Establishment	2021
Target segment	Provides loan to Individuals, Firms and Companies
Regional Presence	Largely Gujarat, Karnataka, Maharashtra, Rajasthan & Tamil Nadu
Ticket size	₹ 10 to 75 lacs
Tenor	84 to 144 months
Yield Range	12-16%

***Ticket size, tenor & yield range are average figures*

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

PERSISTENCE & PROGRESS THROUGH TECH-BACKED ARCHITECTURE AND SYSTEMS

Digital technological evolution remains one of the major critical factors for the NBFC lending space to sail through Covid-19 pandemic and helps to us drive growth momentum for financial inclusion of the under-served people. ***With rapid development in the Information Technology (IT) framework and adoption of online methods of operations, we have upgraded our processes to higher technology platforms enabling us holistically integrate our operational parameters, optimize cost configuration and leverage synergies.*** Increasing usage of high-end tech-architecture based operations during this pandemic situation helped us demonstrate persistence and our growth momentum continued to progress towards a contented future.

Our strong processes and framework help in de-risk our portfolio while augmenting our credit penetration across the markets. Our adaptive lending assessment criteria and models enables faster credit churn out while maintaining our liquidity position subsequently leading to lower NPAs. We take every opportunity to consistently upgrade our technology platforms like the following which empowers us sail through the pandemic.

IT Infrastructure Upgradation Initiatives

- Enabled work from remote location by mounting VDI solutions to all employee devices.
- Secured all devices with Endpoint Detection and Response (EDR) and Anti-malware solutions to confirm data privacy.
- Provided Wi-Fi facilities and end-point devices (like laptops, hard drives etc.) to employees for smoother work from home operations.
- Reduced number of physical servers through Server Virtualisation solution (VMware).
- Increased usage of SIEM tool to track logs and monitored events in the server and firewall.
- Enable automated monitoring of branch network, firewall and ISPs across all regions.
- Protected our digital platforms (like e-mail gateways and network frames) with end-to-end encryption methods to shield against any security threats of advanced cyber-attacks.

These apart, we have taken several initiatives for faster payment and KYC check for customers enabling reduced hassles and turnaround times (like integration with Bharat Bill Payment System and UPI facility partnering with leading banks, digital document uploading facility for customers etc.)

PERSISTENCE & PROGRESS THROUGH SOUND BUSINESS MODEL AND ASSET MIX

We are one of the largest and most trusted NBFCs in the country over the years. This coveted achievement became possible through optimal usage of our 'hub-and-spoke' model, facilitating decentralisation of routine jobs throughout the organisation resulting faster turnaround times. This enables our top management to engage themselves in strategic decision making and policy formulations.

At SCUF, serving the unbanked and under-served people with holistic development of their socio-economic position is nucleus to our business philosophy. Our Asset Under Management grew in view of our focused business strategy to serve the customers through our niche, granular and diversified product portfolio. We continued our growth momentum despite the disruption of operation and related challenges posed by COVID-19 pandemic. We monitored entire process of operation through our branch officials who are specialized in providing best of the services through local knowledge of their customers. With decentralised credit approval and loan processing in place, customers get their fund in lesser time resulting in long term relationship and trust building. The philosophy of winning the trustworthiness of customers over the edges helped us show 'Persistence & Progress' ahead to superior future amidst the challenging pandemic.

We believe that to build a strong business fortress, robust business model is of prime importance. ***We spread our network through 'hub-and–spoke' model facilitating greater productivity and implementing tighter control on all facets of operation, whilst being centrally controlled by our headquarters in Chennai.*** The entire functional architecture is successfully controlled on a real-time basis through our ERP software platform.

We have transformed ourselves from a mere NBFC to a special friend in need for our customers. ***Reaching the under-served beyond boundaries time and again has given us the tagline of being one of the most trustworthy NBFC brands in India - a building block well-constructed to persist and progress amidst these challenging pandemic times.***

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

PERSISTENCE & PROGRESS THROUGH OUR ROBUST HUMAN CAPITAL

Amidst today's rapidly challenging business environment customer centric approach and usage of technology platforms to reach the farthest milestone can only become successful, if workforce of the enterprise is truly inspired. Through our diverse people with extensive knowledge of local markets and zeal to reach the last mile to better serve our customers, we have created a unique bond with our human capital.

We strive to create a ***safer work environment for our people*** amidst this pandemic by shifting our work culture encouraging ***'Work-from-Home', recognising performance achievements and reinvesting in skill building exercises to embrace higher usage of digital platforms.*** Culmination of all these efforts translated into enhanced camaraderie amongst our human assets and helped us show ***'Persistence & Progress'*** in these challenging times.

At SCUF, we have diverse workforce comprising professionals from varied specialisation; commensurate with the diverse geographical reach and ethnicities served over decades. The varied socio-economic background of our people helps us to leverage their diverse skill sets and enables them to multiply the synchronised benefit potential to the highest standards to serve our customers better.

We provide specialised trainings to our workforce and encourage them to attain newer skill sets through implementation of newer technologies that ensures sustainability of our business. We recognise people's skill and reward them at every performance accomplishment throughout the year.

We endorse collaborative work environment encouraging better relationships between employees. This apart, we recruit local talents to better leverage their knowledge about customers transforming into a long-standing relationship.

KEY FINANCIAL HIGHLIGHTS

Asset Under Management
(₹ in crore)

Disbursements
(₹ in crore)

Total Income
(₹ in crore)

Net Interest Income
(₹ in crore)

Average Cost of Borrowing
(%)

PAT
(₹ in crore)

Earnings per Share
(₹)

Capital Adequacy Ratio Tier- I
(%)

CORPORATE INFORMATION

Board of Directors

Sri Debendranath Sarangi
Chairperson, Non-Executive, Independent

Sri Y S Chakravarti
Managing Director and Chief Executive Officer, Executive, Non-Independent

Sri C R Muralidharan*
Director, Non-Executive, Independent

Sri Diwakar B Gandhi
Director, Non-Executive, Independent

Sri Duruvasan Ramachandra
Director, Non-Executive, Non Independent

Sri Ignatius Michael Viljoen
Director, Non Executive ,Non Independent

Ms Maya S Sinha
Director, Non-Executive, Independent

Sri Pranab Prakash Pattanayak
Director, Non-Executive, Independent

Sri Shashank Singh
Director, Non-Executive, Non-Independent

Sri Venkataraman Murali
Director, Non-Executive, Independent

* *Ceased to be a director due to demise on October 8, 2020*

Chief Financial Officer

Sri Ramasubramanian Chandrasekar

Company Secretary

Sri C R Dash

Banks

Axis Bank Limited
Bank of Baroda
Bank of India
Bank Of Maharashtra
Citibank N.A, India
CSB Bank
Canara Bank
DCB Bank
DBS Bank India Limited
Federal Bank
HSBC
HDFC Bank Limited
ICICI Bank Limited
Indian Bank
Indusind Bank Limited
Indian Overseas Bank
Karnataka Bank
Kotak Mahindra Bank Limited
Punjab National Bank
RBL Bank Limited
Standard Chartered Bank PLC
State Bank Of India
State Bank of Mauritius
South Indian Bank Limited
Union Bank of India
Yes Bank

Institution

Bajaj Finance Limited

Citicorp Finance (India) Limited

National Bank For Agriculture And Rural Development

SIDBI

Auditors

G D Apte & Co.
Chartered Accountants, GDA House, First Floor, Plot No 85, Bhusari Colony (Right), Paud Road, Pune 411 038

Listed at

BSE Limited
National Stock Exchange of India Limited

Registered Office

123, Angappa Naicken Street,
Chennai 600 001
Phone No.: + 91 44 2534 1431

Secretarial Office

No.144, Santhome High Road,
Mylapore, Chennai 600 004
Phone No.+ 91 44 43925300
Fax No. + 91 44 43925430

Share Transfer Agents

Integrated Registry Management Services Pvt Limited
2nd Floor, Kences Towers No. 1,
Ramakrishna Street,
Off North Usman Road, T. Nagar,
Chennai 600 017
Phone No. + 91 44 2814 0801 – 03

Debenture Trustees

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17,
R Kamani Marg, Ballard Estate,
Mumbai 400 001

Catalyst Trusteeship Limited
GDA House, First Floor, Plot No 85,
Bhusari Colony (Right), Paud Road,
Pune 411 038

Report of the Board of Directors

To,

The Members of Shriram City Union Finance Limited

Dear Members,

The Board of Directors ("Board") is pleased to present this Report with the audited standalone as well as consolidated financial statements of the Company for the financial year ended March 31, 2021 ("FY21"). The consolidated financial statements presented pursuant to section 129 (3) of the Companies Act 2013 ("Act") and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"). The report on corporate governance, management discussion and analysis and other annexures referred to form a part of this Report.

1. RESULTS OF OPERATION

The summary of standalone and consolidated financial performance of the Company for the Year is as under. The details of financials are provided in the annual financial statements.

₹ in crores

Particulars	Standalone		Consolidated	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Total Income	**5,738.43**	**5,887.14**	**6,167.87**	**6,239.15**
Finance Charges	2,133.88	2,140.45	2,340.71	2,303.26
Depreciation	79.84	82.16	87.12	89.58
Total expenses	**4,349.05**	**4,532.14**	**4,689.85**	**4,832.67**
Profit before tax ("PBT")	**1,389.39**	**1,355.00**	**1,478.01**	**1,406.48**
Total Tax expenses	**378.44**	**354.48**	**400.30**	**373.27**
Profit after Taxation ("PAT")	**1,010.94**	**1,000.52**	**1,077.72**	**1,033.21**
Paid up equity share capital (Face value of ₹ 10/- per share)	66.01	66.00	66.01	66.00
Earning per equity share (Face value of ₹ 10/- each)				
(i) Basic	153.16	151.60	161.13	154.95
(ii) Diluted	152.81	151.57	160.76	154.92
Appropriations/Transfers:				
Profit available for appropriation	4,016.07	3,509.77	4,160.19	3,608.52
General reserve	(102.50)	(100.10)	(102.50)	(100.10)
Statutory reserve	(204.90)	(200.20)	(214.59)	(207.41)
Debenture redemption reserve	-	(29.31)	-	(29.31)

The Board at the meeting held on April 30, 2021 has proposed to transfer/carry amounts mentioned above to different reserves for FY21 in compliance with the requirements of regulations of Reserve Bank of India ("RBI") and the Act. No details for loans made, guarantee given or security provided in ordinary course of business as required under Section 186 of the Act are mentioned here as the Company being a NBFC registered with the RBI is exempted from applicability of this. Loans, guarantees and investments form a part of the Annual Financial Statements provided in this Annual Report.

2. DIVIDEND

The Dividend Distribution Policy as required under LODR is attached as Annexure - 12 and is displayed on the website of the Company (refer Table - 1). Dividends are recommended and paid in line with the Dividend Distribution Policy of the Company. The Board in the meeting held on April 30, 2021 has proposed for final dividend of ₹ 13.00 on each equity share of ₹ 10 each for the year. The table below shows the details of dividend for FY20 and FY21

Dividend on equity shares of ₹ 10 each	No of Shares	Per share (₹)	Dividend Pay out (₹ in crores)	Date of payment
Interim (FY21)	6,60,04,322	10.00	66.00	November 27, 2020
2nd Interim (FY21)	6,60,05,022	10.00	66.00	April 19, 2021
Proposed Final (FY21)	6,60,05,022	13.00		
Total		**33.00**		
Interim (FY20)	6,59,96,022	6.00	47.74	November 18, 2019
Total		**6.00**		

FY– Financial year ending March 31

Dividend payout is subject to applicable deduction of tax at source. No of shares indicate the numbers of shares existed on respective record date for payment of dividend. There were no delay in payment of dividend/interim dividend during FY21. The Board recommended final dividend and the interim dividends declared and paid shall be the dividend for the year.

3. CONTRACT OR ARRANGEMENT WITH RELATED PARTY AND ANNUAL RETURN

There were related party transactions during FY21. All the transactions during FY21 with related parties were on arm's length basis in ordinary course of business with requisite approval of the Audit and Risk Management Committee. The Company has formulated an approved policy on related party transactions, which is displayed on the web site of the Company (refer Table - 1) in compliance with regulations of RBI, the Act and LODR. The details of and transactions with the related parties as required under Regulation 34(3) and 53(f) of the LODR appear in note no. 44 of the notes to financial statements. During FY21, the Audit and Risk Management Committee, approved the related party transactions requiring it's approval. The details of Related Party Transactions were filed with both BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on half yearly basis during FY21. There were no material related party transactions during the FY21 with promoters, directors, key managerial personnel or other designated persons in potential conflict with the interest of the Company at large and this information were filed with both BSE and NSE on quarterly basis on or before respective due dates during FY21. The details of Annual Return in prescribed form MGT - 7 as required under Section 92 (3) and 134 (3) of the Act is displayed on the web site of the Company (refer Table - 1).

4. STATE OF AFFAIRS

The Company is a deposit taking Non-Banking Finance Company ("NBFC") registered with the RBI. The Company provides loans to customers and has multiple product offering i.e. Enterprise Finance/MSME Finance, Two wheeler loans, Loan against Gold, Personal Loan, Auto Finance, Pre-owned Two Wheeler loans and Loans against Property. The Company continued acceptance and renewal of deposits from public during FY21. There was no change in business of the Company during FY21. The business of the Company includes sourcing borrowers, understanding their loan requirement, providing them appropriate finance, documentation of loans and receipt/recovery of loan dues from borrowers. Though, the Company operates all over India, the business outlets of the Company are concentrated in semi-urban and rural areas. Our customer centric approach continues to bring us more number of customers resulting in higher business. 13.61 lacs number of customers were added during FY21. Total number of customers and total number of branches/ business outlets were 41.52 lacs and 926 respectively as on March 31, 2021.

Total disbursements of loans under different products were ₹ 17,154 crores during FY21 (FY20 : ₹ 22,712 crores). Income from operations for the year reduced by 2.60% to ₹ 5,730.70 crores (FY20 : ₹ 5,883.94 crores) and profit before tax was ₹ 1,389.39 crores for the year (FY20 : ₹ 1,355.00 crores). As at March 31, 2021 the total assets under management was ₹ 29,571 crores (March 31, 2020 : ₹ 29,085 crores).

During FY21, the total consolidated disbursements of loans under different products were ₹ 19,349 crores (FY20 : ₹ 23,839 crores). Consolidated Income from operations in FY21 reduced by 1.27% to ₹ 6,153.75 crores (FY20 : ₹ 6,233.11 crores) and profit before tax was ₹ 1,478.01 crores in FY21 (FY20 : ₹ 1,406.48 crores). As at March 31, 2021 the consolidated assets under management was ₹ 33,500 crores (March 31, 2020 : ₹ 31,390 crores).

In order to meet the loan requirements of borrowers and other requirements, the Company borrows money from banks/ institutions, individuals and others through public issue/private placement of non-convertible debentures ("NCDs"), acceptance/renewal of fixed deposits, issue of commercial papers, cash credit/working capital loans and other loans. The summary of borrowings by the Company is as under.

₹ in crores

At the year ended March 31,	Deposits	Privately placed NCDs	Public issue of NCDs	Term loans	Others	Total
2021	5,528.89	3,394.39	869.24	10,264.57	5,508.22	**25,565.31**
2020	4,012.07	3,618.73	849.55	8,531.74	6,153.75	**23,165.84**

Balance outstanding on cash credit as on March 31, 2021 was ₹ 358.48 crores (March 31, 2020 : ₹ 480.38 crores), Working capital demand loans as on March 31, 2021 was ₹ 1,765.15 crores (March 31, 2020 : ₹ 1,544.89 crores), Commercial Papers as on March 31, 2021 was Nil (March 31, 2020 : ₹ 111.64 crores) Subordinate debts as on March 31, 2021 was ₹ Nil (March 31, 2020 : ₹ 239.24 crores) and Securitisation linked Term Loan as on March 31, 2021 was ₹ 3,384.59 crores (March 31, 2020 : ₹ 3,777.60 crores).

The Company serviced all its repayments and interests for different borrowings due during FY21 on respective due dates. The deposits and debentures issued/ allotted in non-dematerialised form were redeemed on submission of the claim with documents. 4,365 number of deposits amounting to ₹ 61.57 crores were outstanding to be claimed or renewed on maturity as at March 31, 2021. Subsequent follow-up by the Company for repayments/renewals brought it to 1,730 number of deposits amounting to ₹ 29.61 crores on the date of this report. There were no deposits which had matured and claimed, but were not paid by the Company. The Company takes steps to arrange for repayment/renewal of these unclaimed deposits.

The Company is required to be rated by any of the rating agencies in India for its different kinds of borrowings. Such ratings were undertaken and the ratings obtained are mentioned in notes to financial statements.

There are no significant and material orders passed by the regulators or courts or tribunals impacting going concern status and Company's operation in future. For other orders, please refer to the notes to accounts on contingent liabilities. There were no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year of the Company and the date of this report. The impact of pandemic has been dealt with in the Management Discussion and Analysis annexed to this report as Annexure - 3.

During FY21, frauds amounting to ₹ 5 lacs were detected and reported to RBI. The details of frauds detected are reported in notes to financial statements. The status of frauds detected are reported in notes to financial statements. The Audit and Risk Management Committee ("ARMC") and the Board had discussed about the status of the frauds committed and existing. The Company has formulated whistle blower and vigil mechanism policy for, in addition to other matters, bringing frauds to light by the whistle blowers.

The Company, in the capacity of Financial Creditor, has not filed any applications with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the financial year 2020-21 for recovery of outstanding loans against any customer being Corporate Debtor. Thus, the difference between amount of the valuation done at the time of one time settlement and the valuation done while talking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

5. CAPITAL, LISTING AND IEPF

As on March 31, 2021, the paid up capital was ₹ 66.005 crores with an increase of ₹ 0.002 crores on the paid up capital on March 31, 2021 due to allotment of 2,100 (FY20 : 10,605) shares on exercise of options under Employees Stock Options Scheme 2006 by the eligible employees. The ESOP Scheme titled SCUF ESOP

Scheme 2013 as approved by the members in the Extraordinary General Meeting held on May 31, 2013 was implemented. The required disclosures on ESOP as on March 31, 2021 under SEBI Regulations are set out in Annexure - 6 to this report. The Company has received the certificate as attached in Annexure - 7 from the auditors of the Company certifying that the ESOP Scheme is implemented in accordance with the SEBI Guidelines and in accordance with the resolution passed by the members. No equity shares, other than equity shares under Employees Stock Option Scheme were issued to employees of the Company. There was no buy back of its shares and no issue of equity by the Company during FY21.

In compliance with Section 124 (5) of the Act, the Company transfers the dividend that has remained unclaimed for a period of seven years from the date of its transfer to unpaid equity dividend account to Investor Education and Protection Fund ("IEPF"). An amount of ₹ 0.86 crores (FY20: ₹ 0.93 crores) is lying in unpaid equity dividend account of the Company. The unpaid dividends till March 31, 2014 were transferred to IEPF. The Company as provided under Section 124(6) of the Act, transferred all shares in respect of which unclaimed dividends were transferred to IEPF during FY21. In compliance with section 125 (2) of the Act, matured deposits, matured debentures and interest accrued on these that had remained unclaimed/unpaid for a period of seven years from the date it became due for payment were transferred to IEPF during FY21 as mentioned below.

₹ in crores

Year	Dividend	Deposits	Debentures	Equity shares in nos.
FY 21	0.109	0.00	1.480	2,427
FY 20	0.080	0.00	1.465	3,032

The Company has displayed the details of unpaid dividend on its web site (refer Table - 1). The Company also posted individual letters to the last known address of the shareholder on May 30, 2020 and August 31, 2020 and advertised in newspapers on June 3, 2020 and September 1, 2020 respectively for the purpose. There will be no claim lie on the Company on account of dividend, debentures and deposits which were transferred to IEPF. However the investors can claim it from IEPF Authority by following the required process.

The unclaimed equity shares existing in physical form available with the Company/RTA, are dematerialised at the time of transfer to IEPF Authorities.

As required under Schedule V of LODR, the Company has opened equity share suspense Account with NSDL titled as "SCUF - Unclaimed Securities Suspense Account" for the purpose of transferring unclaimed equity shares held in physical form .The Company will transfer after due verification the shares lying in the said suspense account to the eligible shareholders on receipt of request for such transfer is received. As on March 31, 2021 there were 475 (As on March 31, 2020 : 475) number of unclaimed equity shares in the said SCUF - Unclaimed Securities Suspense Account.

S. No	Particulars	No of equity share holders	No of unclaimed equity shares
1	Unclaimed equity shares as on April 1, 2020	8	475
2	Shares claimed by shareholders during the Year	-	-
3	Transfer of unclaimed equity shares to IEPF during the Year as per IEPF Rules	-	-
4	Unclaimed equity shares as on March 31, 2021	8	475

The voting rights for the above said unclaimed equity shares shall remain frozen till the shares are claimed by / transferred to the concerned share holders. No equity share was issued with differential rights to voting, dividend or otherwise.

The listing fees to BSE and NSE for the Year were paid on time. The shares of the Company continue to be listed on BSE and NSE.

6. HUMAN RESOURCE

FY21 was a particularly testing one for our workforce because of the prevalence of the pandemic. Despite operating from COVID-affected parts of the country, our team members helped the Company achieve its operational and business targets by reaching out to customers and with their physical presence in offices, thus putting the interests of the Company on front. We are extremely fortunate to possess such an immensely motivated and highly-skilled workforce, and endeavor to support them in every possible manner, both professionally and personally. The Company follows

the best HRD practices in the industry, which includes conducting sustained reskilling and skill-enhancing programs to provide the necessary edge to our teams over the competition and according timely rewards and recognition to keep our workforce motivated. This enables our employees in their career growth paths, besides assisting the Company in achieving its commercial objectives. We emphasise on localisation of our workforce and encourage executive growth up the organisational ladder within respective geographies. The relation between the Company and its employees have always been based on mutual respect, openness, honesty, co-operation and trust, and continued in this manner during the Year. The Company has formulated a policy on Prevention of Sexual Harassment of women employees in the work place. The Company has also constituted an Internal Complaints Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints received during the Year. The total employee strength of the Company as on March 31, 2021 was 24,963 with 4,237 employees added during the Year. As required under Section 197(12) of the Act read with Rule - 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the information on remuneration is given in table 2.1 of the Corporate Governance Report and other details are attached as Annexure – 1 to this Report.

7. SUBSIDIARY AND CONSOLIDATED FINANCIAL STATEMENTS

M/s Shriram Housing Finance Limited CIN - U65929TN2010PLC078004) ("SHFL") is the only subsidiary of the Company. SHFL is an unlisted subsidiary with 77.25% holding by the Company in the equity of SHFL. The Company does not have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of LODR. SHFL is a housing finance company registered with National Housing Bank ("NHB") (Registration Number-08.0094.11) with registered office at Chennai. There was no entity which became or ceased to become subsidiary during FY21. The entities shown in the Notes to Accounts under Related party disclosures as Associates are treated as "associates" as per paragraph 9(b)(ii) of IndAS24. The equities of SHFL are not listed on any stock exchange, but has debt securities listed on BSE. SHFL follows April to March as the financial year. SHFL provides housing loans of larger mass consisting of self employed in the lower and middle income class in mostly Tier 2 and Tier 3 locations in India with 82 branches. SHFL has 20,395 customers with loans in its portfolio as on March 31, 2021. The total employee strength of SHFL as on March 31, 2021 was 824. The Policy on Material Subsidiary(ies) of the Company is displayed on the web site of the Company (refer Table - 1).

SHFL provides home loans, loans against property and finances housing projects. The CAGR of loan disbursement of SHFL over last five years was 22.60 % with total disbursement during the year being ₹ 2,195 crores. The total borrowings of SHFL as on March 31, 2021 was ₹ 3,180.84 crores, out of which ₹ 578.90 crores relates NCDs and the balance amount was from borrowings from Bank/ Financial Institutions and securitisation through bank/ financial institution.

As prescribed under section 129(3) of the Act ,the Consolidated financial statements of the Company for FY21 were prepared in accordance with provisions of the Act and LODR, which were audited by the statutory auditors of the Company. The consolidated financial statements along with the report of the auditors of the Company thereon are attached to this Report. Statement containing salient features of the financial statements for FY21 in form AOC- 1 is attached to the financial statements of the Company.

The annual accounts, annual reports and the related detailed information on SHFL shall be made available to the shareholders of the Company and to the shareholders of SHFL seeking such information at any point of time. In accordance with Section 136 of the Act, audited annual financial statements, consolidated financial statements and related information of the Company and the audited financial statements of SHFL are displayed on the Company's web site (refer Table - 1) and the same shall be kept at the respective Registered Office of the Company and SHFL for inspection by any shareholder during business hours. Shriram Capital Limited and SHFL continued as promoter and subsidiary of the Company respectively.

8. RESERVE BANK OF INDIA DIRECTIONS/ GUIDELINES

The Company is a deposit accepting NBFC and is regulated by the applicable regulations of the RBI. The Company continues to comply with all applicable

regulations of RBI. The details of registration with RBI appear on note no - 1 to notes to the financial statements. The Board confirms that the Company followed the corporate governance standards prescribed by the RBI. The note nos 45, 48 to 84 and other notes of the notes to financial statements contain the information required to be reported under the regulations of the RBI. The disclosure under the Act with respect to deposits is not applicable to our Company as our Company is a NBFC regulated by RBI. The Company accepts/ renews deposits as per regulations of RBI. The followings are the indicators of acceptance of deposits.

Description	March 31	
	2021	2020
Capital Adequacy and Reserve Ratio ("CRAR")*	28.64%	27.69%
Net owned funds (₹ in crores)	7,306.42	6,786.76
Statutory Liquidity Ratio	19.35%	18.37%
Deposits (₹ in crores) including maturity payable	5,590.46	4,121.90

* The RBI prescribes the maintenance of CRAR 15 percent and above.

Our principal source of liquidity are cash, cash equivalent, current investments and cash flow from operations. We maintain sufficient cash to meet strategic and operational needs. We understand that the liquidity in the Balance sheet need to balances between return and risk. We believe that our working capital is adequate to meet our current requirements.

9. CORPORATE GOVERNANCE

The Company follows the corporate governance practices and standards prescribed under LODR, regulations of RBI and other regulations. Report on corporate governance as required under Regulation 34(3) of LODR together with a certificate for the purpose from the auditors of the Company confirming the compliance with the corporate governance is attached to this Report (Annexure - 2). As required under Regulation 34(2)(e) and 34(3) of LODR, the Management Discussion and Analysis on the business of the Company is attached as Annexure – 3. As required under Regulation 17 (8) of the LODR, a compliance certificate, duly signed by the Managing Director & Chief Executive Officer and Chief Financial Officer on the financial statements of the Company for FY21, was submitted to the Board at their meeting held on April 30, 2021 (Annexure - 4). The relevant provisions of the voluntary guidelines are adopted in the areas deemed appropriate.

10. BUSINESS RESPONSIBILITY REPORT ("BRR")

Regulation 34(2)(f) of the LODR requires top 500 listed entities based on market capitalisation as on March 31, 2016 to include BRR as a part of the Annual Report. The Company being one such entity, has included BRR in this Annual Report (Annexure - 13).

11. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company constituted a CSR Committee consisting of three Directors including two independent directors as required under Section 135 of the Act. The details of the CSR Committee appear on the Annual Report on CSR. Annual Report on CSR activities as required under Rule 9 of the Companies CSR Policy Rules, 2014 as amended from time to time of the Act is attached to this report as Annexure – 9. The CSR policy of the Company as recommended by the CSR Committee, was reviewed and approved by the Board and is displayed on the website of the Company (refer Table - 1). The CSR policy contains the areas of activities of CSR and other detail as required under Section 134 (3) (o) of the Act. During FY21, the Company undertook CSR Projects on health, education, skill development. The spend on CSR amounting to ₹ 21.95 crores (FY20 : ₹ 10.36 crores) during FY21 were approved by the Board of the Company as recommended by the CSR Committee. The Board affirms that the CSR activities are implemented in accordance with CSR Policy of the Company.

12. BOARD AND COMMITTEES

During FY21, the Company had optimum number of Directors with mix of Independent and Non Independent. Board met 7 times during FY21. All the meetings of the Board and Committees were held virtually at Chennai through video conferencing during FY21 in view of COVID-19 pandemic and to adhere to the lockdown and social distancing norms. The interval between two meetings did not exceed 120 days. Members of the Board possess requisite knowledge and experience to steer the Company. The brief profile of each director appear on the website of the Company (refer Table - 1). The Company is immensely benefitted from the guidance, support and advice of the members of the Board. The Board consists of directors possessing diverse knowledge, skill and experience to enhance quality of its performance. The independent directors have requisite qualification and experience to act as a Director on the Board. Details of meetings of

the Board and committees held during FY21 and the details of appointment, induction, training, retirement and resignation of Directors/KMPs during FY21 are mentioned in the Corporate Governance report (Annexure - 1). The Company complied with Secretarial Standards issued by the Institute of Company Secretaries of India. The Board has Audit and Risk Management Committee ("ARMC") and Nomination and Remuneration Committee ("NRC") as specified under Section 177 and 178 of the Act respectively. The Company received necessary declaration from each independent director about his/her meeting the criteria of independence as laid down under Section 149 (7) and 134(3) (d) of the Act and Regulation 16(b) of the LODR. A statement by the Managing Director confirming receipt of this declaration from each independent director of the Company is attached as Annexure - 10. There is no change in the circumstances affecting their status as Independent Directors of the Company. The Company received required deed of covenant initially at the time of appointment and declaration during the Year from the Directors as required under regulations of RBI. The Board on the recommendation of NRC has formulated a policy for selection, appointment and remuneration of directors, senior management personnel as required under Section 178 (3) and 134 (3) (e) of the Act, the details of which appear in the Annexure – 12 and the same is displayed on the web site of the Company (refer Table - 1). This Policy states the diversity of the Board and has laid down a framework for remuneration of Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. As required under section 134(3)(p) of the Act and the LODR, annual performance evaluation of Board, the Committees, Chairman of the Board and individual directors were carried out during FY21 based on the criteria and frame work adopted by the Board consisting of participation, attendance, duties, obligations, contribution for effectiveness and related matters of Board/Committee. The outcome of such evaluation done during FY21 was discussed by the NRC/Board and both found it satisfactory. The Independent Directors expressed satisfaction over the performance and effectiveness of the Board, individual Non-Independent Directors and the Chairman. The Independent Directors played active role in the meetings of Committees including Audit and Risk Management Committee ("ARMC"). ARMC held separate meetings to discuss related party transactions and to review policies of the Company. The ARMC also had separate meetings with Statutory Auditors, Internal Auditors and participated in the meeting with Rating Agencies separately. Each Director has given his/her declaration to the Company for not holding any shares in the Company and having no relation *inter se* with any Director. Independent Directors attend familiarization programme on joining the Board and annually, the details of which is displayed on the web site (refer Table - 1). As per provisions of the Act and Articles of Association of the Company, Sri Duruvasan Ramachandra (DIN – 00223052) will retire by rotation and being eligible, has sought for re-appointment at the ensuing AGM. He has expressed his intention and confirmed his eligibility to continue as Director of the Company if appointed at the ensuing AGM. In compliance with requirements under section 149(7) of the Act and Regulation 16(1) of the LODR, the Board has received the declaration from all the Independent Directors about their independence and the Board is satisfied about it. During FY21, there was no change (appointment/resignation) in the Key Managerial Personnel namely, Managing Director, Chief Financial Officer and Company Secretary of the Company.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements were prepared by following Indian Accounting Standard ("Ind AS") prescribed under Section 133 (3) of the Act and relevant rules and guidelines issued by Securities Exchange Board of India ("SEBI") and Reserve Bank of India (RBI). Pursuant to Sections 134 (3) (c) and 134 (5) of the Act with respect to Directors' responsibility statement, the Directors of the Company hereby confirm, in the preparation of annual accounts for FY21 that :

(i) the applicable accounting standards have been followed and proper explanations have been made in notes to accounts for material departures, if any;

(ii) the accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and statement of the profit and loss of the Company for the year ended on that date;

(iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for

safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis.

(v) internal financial controls to be followed were laid down, which were adequate and were operating effectively and

(vi) proper systems had been devised to ensure compliance with provisions of applicable laws, which were adequate and were operating effectively.

14. AUDIT AND AUDITORS

Internal audits were conducted periodically during FY21 and the reports thereon were presented to ARMC on quarterly basis. The Internal Auditor is appointed and reporting to ARMC. In addition to others matters, internal audit consisted of independent and objective assessment to monitor adequacy, effectiveness and adherence to the internal controls, processes and procedures Internal audit also checked compliance with extant regulations. Internal audit conducted followed a Risk-based approach of Internal Audit (RBIA) by taking into account the RBI guidelines and established practices. The ARMC regularly reviewed the audit findings and the adequacy and effectiveness of the internal control measures.

The Company has documented its internal financial controls considering the essential components of various processes, physical and operational. This includes its design, implementation and maintenance along with periodical internal review of operational effectiveness and sustenance which commensurate with the nature of business and the size of its operations of the Company. This ensures conducting business in orderly and efficiently by adhering to the Company's policies, safeguarding assets, preventing errors with accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The internal financial controls with reference to the financial statements were adequate and operating effectively.

The Company's organization structure, policy, authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations .The policies are reviewed periodically and updated and systems are reviewed and upgraded. The internal financial control is supplemented by internal audits, regular reviews by management to ensure reliability of financial and other records to prepare financial statements and other data.

The auditors of the Company, M/s G.D. Apte & Co. Firm Registration No – 100515W Chartered Accountants ("GDA") have submitted to the members of the Company the attached Independent Auditors Reports for FY21 on standalone financials and consolidated financials. Both the reports are unqualified, without any reservation or adverse remark or disclaimer and thus the Board does not have any explanation or comment. M/s P. Sriram & Associates, Company Secretaries (Certificate of Practice No : 3310 and Membership No : FCS F4862) in practice, Chennai ("PSA") appointed by the Company as the secretarial auditors pursuant to Section 204 of the Act have conducted audit and have submitted their report as attached in Annexure - 14 to the Members, which is unqualified, without any reservation or adverse remark or disclaimer. Therefore, Board does not have any explanation or comment on such Secretarial Audit Report. The details of penalties/fines paid during the year appear in the notes to accounts. Maintenance of Cost records and conducting of cost audits specified under section 148(1) of the Act are not applicable for the business activities carried out by the Company. During the Year neither GDA nor PSA reported to ARM under Section 143(12) of the Act any instances of fraud committed by officers or employees of the Company. The Board appointed PSA as secretarial auditor of the Company for FY22.

GDA was appointed by the members as the auditors of the Company from 32nd AGM till conclusion of 36th AGM of the Company. GDA have confirmed their eligibility and have communicated their willingness to continue as auditors. Necessary resolution, based on the recommendation of the ARMC and approval of the Board, to fix remuneration of GDA as Auditors is proposed at the ensuing AGM. The details of payment of Statutory Auditors fees appear in financial statements

The RBI vide its guidelines/circular no RBI/ 2021-22/ 25 Ref. No. DoS. CD. ARG/ SEC.01/ 08.91.001/ 2021-22 dated April 27, 2021 on appointment of statutory auditor (s) by Non-Banking Financial Company (NBFC), has given flexibility to NBFCs to adopt these guidelines from second half of the Financial Year 2021-22 ("H2FY22" in order to ensure no disruption. Accordingly, the NBFCs

shall appoint Statutory Auditors for a continuous period of three years from FY22. GDA, the Statutory Auditors of the Company has conducted audit of the accounts of the Company for four consecutive financial years ending March 31, 2021. It is proposed that GDA the Statutory Auditors of the Company will continue to hold their office till such period as may be permitted by the law. In that event, it is proposed to pay their remuneration for conducting audit of Company's accounts for the full financial year ending March 31, 2022. Otherwise, it is proposed to pay remuneration to GDA, the Statutory Auditors as may be fixed by the Board of Directors of the Company depending upon scope of their work on pro-rata basis for holding the office of the Statutory Auditors for part of the FY22 as mentioned in the resolution at Item Nos.4 of the Notice of ensuing 35th Annual General Meeting. The ARMC and Board have recommended passing of this resolution.

15. MANAGEMENT OF RISK

The risk management function of the Company help in identifying, analysing, assessing, mitigating, monitoring and governing risks. The Company has a risk management policy. A separate section in this report titled "Management Discussion and Analysis" discusses about risk and its mitigating factors and the matters required under Section 134 (n) of the Act. In the opinion of the Board, there is no risk existing to threaten the existence of the Company Report on risk assessment is presented to ARM at its meeting by the Chief Risk Officer of the Company.

16. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules 2014 specify the information to be furnished on conservation of energy, absorption of technology and foreign exchange earnings/outgo, which for the Year are furnished below.

The operations of the Company are not energy intensive. However, adequate measures for conservation of energy, usage of alternate sources of energy and investments for energy conservation, wherever required were taken. The Company did not absorbed any technology. There was foreign exchange earnings of ₹ 1.90 crores (FY20 : ₹ 1.71 crores). The outgo of foreign exchange was ₹ 6.23 crores (FY20 : Nil)

17. ACKNOWLEDGEMENT

We thank our customers, share holders, investors, bankers, employees, trustees, vendors, auditors, deposit holders and debenture holders. The Board expresses its appreciation and gratitude for the guidance and cooperation extended to the Company by RBI, statutory authorities and regulators. The Board acknowledges the guidance of M/s GDA and M/s PSA to the Company. The Board records the commitment and dedication of employees.

For and on behalf of the Board of Directors

Place : Chennai
Date : April 30, 2021

Debendranath Sarangi
Chairperson

Report on Corporate Governance

Annexure 1

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERANCE

The philosophy of the Company on Corporate Governance aims at enhancing the stake holders' value by efficiently conducting business, meeting obligation to stake holders by being guided by the principles of transparency, accountability, compliance with regulations and integrity.

2. BOARD OF DIRECTORS

2.1 Composition and appointment

The Board of Directors of the Company ("Board") consists of Executive, Non-Executive, Independent and Non Independent Directors to ensure independent functioning of the Board. We feel that this is appropriate mix of executive, non executive and independent Directors to maintain independence and separate the functions of governance and management. Total number of Directors as on March 31, 2021 was nine. Five out of nine Directors, which is more than half of the number of members of the Board are Independent. One Independent Director is Woman. The Company has succession planning. The Independent Directors meet the criteria of independence specified in Regulation 16 (1) (b) and other applicable regulations of LODR and each Independent Director is independent of the management. The Independent Directors meet the criteria for appointment formulated by the Nomination and Remuneration Committee ("NRC") as approved by the Board. NRC has formulated a Policy on Appointment, Remuneration and Diversity of Board (Annexure - 12), which is displayed on the web site of the Company (refer Table - 1). This ensures diversity of qualification, skill, experience, expertise, gender and age of the Board. The appointment of Directors is made through a transparent process as specified in the policy. Directors appointed are issued with appointment letters. The format of such appointment letter is displayed on the web site of the Company (refer Table - 1). The Board periodically evaluates the need for change in size and composition of the Board. Independent Directors were appointed for a fixed period of five years from the date of their respective appointments and their appointments were approved by the members in respective meetings.Non Independent Directors were appointed as per provisions of law. On appointment and during the year, each Independent Director is familiarised with the Company, business, industry, roles and responsibilities, the details of which are displayed on the website of the Company (refer Table - 1). The chairperson presides over Board Meeting (BM) and meetings of the share holders. The MD and CEO acts as a link between the Board and the management team. The following chart or matrix identified by the Board as the required skills/ expertise/ competencies in the context of the NBFC sector and the Company.

Report on Corporate Governance
Annexure 1 (Contd.)

No.	Name of the Director	Skills / Expertise / Competencies identified by Board												
		Financial	Regulatory affairs	Capital market/ treasury	Sales/ Marketing / Recovery	Technology	Risk Management	Planning	Business Analysis	Investor servicing	Decision making	Diversifying the products	Human Resource Management / Leadership	Mergers and Acqusitions
1	Debendranath Sarangi		YES					YES		YES	YES		YES	
2	Yalamati Srinivasa Chakravarti	YES		YES	YES	YES	YES	YES	YES		YES	YES	YES	
3	Diwakar B Gandhi	YES	YES	YES	YES	YES					YES	YES	YES	YES
4	Duruvasan Ramachandra			YES	YES	YES	YES		YES		YES	YES	YES	
5	Ignatius Michael Viljoen	YES					YES				YES		YES	
6	Maya S Sinha	YES	YES				YES		YES	YES	YES		YES	
7	Pranab Prakash Pattanayak	YES	YES	YES			YES		YES		YES		YES	YES
8	Shashank Singh	YES		YES				YES	YES		YES			YES
9	Venkataraman Murali	YES	YES			YES	YES			YES	YES		YES	YES

Report on Corporate Governance
Annexure 1 (Contd.)

2.1 DETAILS OF DIRECTORS

No	Name of the Director	DIN	Category of Directorships		Position	Name of the listed entities	Chairmanship of Committees	Membership of Committees	BM	ALCO	ARMC	BSMC	CSR	ITS	NRC	SRC	IDM	AGM #	*	**	***	Remuneration (₹ in crores) ^	Percentage of increase during FY21	Ratio of remuneration of each Director/ to median remuneration of employees
1	Sri Debendranath Sarangi	01408349	NE	I	Chairperson	1.Voltas Limited - Non Executive, Independent Director 2. Southern Petrochemical Industrial Corporation Limited, Non Executive, Independent 3. Tamilnadu Petroproducts Limited, Non Executive, Independent	-	CSR, NRC	7		-		3		4	-	1	Present	5	1	-	0.08	6.667	5.033
2	Sri Y S Chakravarti	00052308	E	NI	MD and CEO	-	-	ALCO, CSR, IT Strategy Committee, SRC	7	4			3	2		-		Present	-	-	-	0.64	20.527	40.267
3	Sri C R Muralidharan	02443277	NE	I	Director																	-	-	-
4	Sri Diwakar B Gandhi	00298276	NE	I	Director	-	NRC	SRC	7	-	-	-	-	-	4	1	1	Present	7	-	-	0.07	27.273	4.404
5	Sri Duruvasan Ramachandra	00223052	NE	NI	Director	CES Limited - Non Executive, Independent Director	-	-	7	-	-	-	-	-	-	-	-	Present	3	3	-	-	-	-
6	Sri Ignatius Michael Viljoen	08452443	NE	NI	Director	Shriram Transport Finance Company Limited - Non Executive, Non Independent Director	-	NRC	7	-	-	-		-	4	-	-	Present	6	-	-	-	-	-
7	Smt Maya S Sinha	03056226	NE	I	Director	Shreyas Shipping and Logistics Limited - Non Executive, Independent Director	CSR,SRC	ARMC	7	-	2	-	3	-	-	1	1	Present	10	-	1	0.075	66.667	4.719
8	Sri Pranab Prakash Pattanayak	00506007	NE	I	Director	-	ALCO	ARMC	4	2	2	-	-	-	-	-	1	Not present	1	-	-	0.045		2.831
9	Sri Shashank Singh	02826978	NE	NI	Director	Zensar Technologies Limited - Non Executive, Non Independent Director	-	-	7	-	-	-	-	-	-	-	-	Present	5	1	-	-	-	-
10	Sri Venkataraman Murali	00730218	NE	I	Director	Take Solutions Limited - Non Executive, Independent Director	ARMC	SRC,ITS	7	-	4	-	-	2	-	2	1	Present	4	1	1	0.08	45.455	5.033

BM - Board Meeting, ALCO - Asset Liability Management Committee, ARMC - Audit and Risk Management Committee, BSMC - Banking and Securities Management Committee, CSR - Corporate Social Responsibility Committee, NRC - Nomination and Remuneration Committee, SRC - Stakeholders Relationship Committee, IDM - Independent Directors Meeting, AGM - Annual General Meeting

Sri C R Muralidharan, ceased to be a Director due to demise w.e.f. October 8, 2020

ARMC was reconstituted with Sri Venkataraman Murali as the Chairperson,Sri Pranab Prakash Pattanayak and Ms Maya S Sinha as Members of the Committee w.e.f. October 30 , 2020

ITS was reconstituted with Sri Venkataraman Murali as Chairperson, Sri Y S Chakravarti, Sri Ramasubramanian Chandrasekar, Smt Anitha S, Sri R Jayaraman and Sri M Karthikeyan as Members of the Committee w.e.f. November 2, 2020

SRC was reconstituted with Ms Maya S Sinha as Chairperson, Sri Diwakar B Gandhi , Sri Venkataraman Murali and Sri Y S Chakravarti as Members of the Committee w.e.f. November 3, 2020

Sri Ramasubramanian Chandrasekar is member of the ALCO but not member of the Board

Sri Ramasubramanian Chandrasekar, Smt Anitha, Sri R Jayaraman and Sri M Karthikeyan are members of the IT Strategy Committee but not members of the Board

Sri Ramasubramanian Chandrasekar, Smt Krithika Doraiswamy and Sri R Jayaraman are members of the BSMC but are not members of the Board

Non - Executive ("NE"), Executive ("E"), Non Independent ("NI"), Independent ("I"), Managing Director and Chief Executive Officer ("MD and CEO")

***Number of directorships held in other companies** (including alternate directorship) held in other companies except Shriram City Union Finance Limited. **Membership of the Committees of the Board of Directors of other companies. ***Chairmanship of the Committees of the Board of Directors of other companies. "Committee" of other companies here means Audit Committee and Shareholders'/Investors' grievance committee public limited companies in India.

^Excluding GST

Remuneration : Independent Directors are paid sitting fees only for being a member attending respective meetings of Board ALCO, ARMC, CSR, NRC, SRC, IDM and General Meting ₹ 50,000 per meeting attended and ₹ 25,000 for ITS Committee attended.The remuneration of MD and CEO is as per terms of his appointment.

During FY21 63 meetings of BSMC, Four meetings of ALCO/ARMC/NRC, three meetings of CSR, two meetings of ITS, two meetings of SRC and one meeting of IDM were held during FY21.

% increase-Increase in remuneration in FY21 over FY20

Ratio of remuneration-Ratio of remuneration of each Director/to median remuneration of employees

Name of Other listed entities - Name of other listed entities where directorship is held and category of directorship

All Directors are required to declare holding of equity shares or convertible instruments in their name or on beneficial basis by them in the Company as per para C (2) (f) of Schedule V of LODR. All Directors declared no such holding by them. All Directors have made declaration about their category of directorships in the Company at the time of their appointment and make this declaration annually. All such annual declarations for FY21 were placed before the BM held on April 30, 2021. None of the Directors is related *inter se* in terms of 'relative' defined under the Act. Monitoring and managing misuse of Company's assets, potential conflicts of interest of management, board members and shareholders, and abuse in related party transactions are done by the Board on quarterly basis.

2.2 Board process

BM takes place at least once in each calendar quarter with specific agenda to review, in addition to other matters, the performance and financial results of the Company. Management team makes presentations on the operations, financial results, strategy, internal audit, risk management and human resource at the meetings of the Board and Committees. Familiarisation programmes are conducted periodically. Additional BMs are held by giving appropriate notice on specific needs. The maximum time gap between two BMs does not exceed 120 days. The calendar of BMs for a financial year is decided in advance. Notice and Agenda of each BM are sent to each Director in advance. In addition to Directors and Senior Management team, persons who can give insight to respective subjects are invited to the BMs. In special and exceptional circumstances, additional or supplementary item(s) is/are permitted. The Chairman and Company Secretary draft the agenda for each BM in consultation with MD & CEO and CFO with inputs from Directors and the respective functional heads of the Company. Where it is not practicable to attach any document to the agenda of BM, the same is tabled at the BM. In cases of business exigencies or urgent matters, agenda with required papers and draft of the resolution to be passed are circulated. The information as per the requirement of corporate governance norms are made available to the Board including the information as mentioned in regulation 17 (7) of LODR. The Board is also free to take up any matter for discussion in agreement of specified number of Directors and in consultation with the Chairperson. The Board has accepted all recommendations of its committees during FY21. The required decisions taken in the BM are communicated to the concerned functional heads of the Company and an action taken report is placed at each BM. The Board has complete access to all the information and employees of the Company.

The deliberations and decisions occurring in every BM are entered in the minute book. The draft minutes are circulated within specified time to the members of the Board. The minutes are prepared by suitably incorporating the suggestions and changes given by members and are finalised by the Chairperson. The minutes are signed by the chairperson of the same meeting or by the chairperson of the succeeding meeting within the specified time line. The minutes of the BM are circulated to all the members of the Board.

The process specified above for BMs are followed for the meetings of all the Committees constituted by the Board as far as practicable. The minutes of the meetings of the Committees are placed before the BM for discussion, action if any and noting. The minutes of the subsidiary company of the Company are placed before the BM on quarterly basis. The performance evaluation of all independent directors is done by the entire Board excluding the concerned independent director based on the criteria of performance evaluation laid down by the NRC .The Board also evaluates the fulfillment of the independence criteria as specified in LODR and their independence from the management. The criteria of performance evaluation of independent directors as laid down by the NRC is attached as Annexure - 12.

2.3 Functioning of the Board

The Board is the apex body constituted by share holders for overseeing the overall functioning of the Company. The day to day affairs of the Company are managed by senior management team headed by the Managing Director and Chief Executive Officer, who functions under the overall direction, supervision, and control of the Board. The Board and Committees review and guide on the matters specified in different regulations in addition to strategies, plans, risk management, budgets, setting performance objectives and monitors implementation and corporate performance. The Board monitors the effectiveness of practices with respect to governance, disclosure, communication and compliance with regulatory requirements. Board has constituted committees with specific terms of reference by delegating some of its power, where ever required. Committees constituted are

as per requirements of business and as mandated under laws. On constitution of Committees, the Board defines the terms of reference and appoints members and the chairperson of the Committee. Committees are named according to broad term of reference. The Committees are constituted or re-constituted depending on business or regulatory need. The Committees are reconstituted with change in members as the need be. The Board thus exercises close control over the functioning of the Company with a view to enhancing the stakeholder value. The Board periodically reviews the compliance by the Company of all applicable laws, as well as steps taken by the Company to rectify non-compliance, if any. Independent Directors play an important role in the governance process of the Board.

2.4 Board meetings and attendance of Directors

Seven BMs were held during FY21 - on May 4, 2020, June 11, 2020, July 31, 2020, August 11, 2020, November 2, 2020, January 29, 2021 and March 26, 2021 and the time gap between the two BMs did not exceed 120 days during FY21. The attendance and other relevant details of each Director are mentioned in table 2.1. All the meetings of the Board and Committees were held through virtually at Chennai through video conferencing during FY21 in view of COVID-19 pandemic and to adhere to the lockdown and social distancing norms. All the participants made declaration individually in the meetings about receipt of agenda, clarity of audio/video, recording of attendance etc at the beginning of each meeting.

None of the Directors is a member of more than 10 Committees and Chairman of more than 5 Committees across all listed entities as required under regulation 26 (1) of LODR. Directors submitted their requisite disclosures to the Company regarding their directorship and Committee positions in other Companies. The quorum for the BMs is as per provisions of law. The BMs are attended by in addition to, the members of the Board, senior management team and persons who can give insight to different subjects. Board Members attend the BMs being present personally or through video facilities. The meetings of Committees are held as per provisions of law. The number of meetings held during FY21 is mentioned in the table 2.1. As far as possible, same process is followed for meetings of Committees as BMs.

2.5 Meeting of Independent Directors

A meeting of Independent Directors was held on November 2, 2020 as required under Regulation 25 (3) of the LODR and Schedule IV of the Act to discuss the matters specified therein. The attendance and other relevant details of each Director are mentioned in table 2.1

2.6 Code of Conduct for Directors and senior management

The Board has laid down "Code of Conduct for Board Members and Senior Management" ('CCBS') for the members of the Board and for designated senior management personnel as required under regulation 17 (5) of the LODR. The CCBS is displayed on the web site of the Company (refer Table - 1). All the Board members and the designated senior management personnel affirmed compliance with the Code. A declaration to this effect signed by the Managing Director and CEO is attached as Annexure – 11.

2.7 Remuneration of Directors

We affirm that the remuneration of the Directors is governed by the policy of the Company named "Policy on Appointment, Remuneration and Diversity of Board" displayed on the web site of the Company (refer Table - 1). Non Executive Independent Directors get sitting fees for each of the meeting of the Board and Committee (where he/she is a member) attended. Such fees paid to the Directors during FY21 are mentioned in the table 2.1. The Managing Director (MD) and CEO of the Company is paid remuneration as per terms of his appointment approved by the Members. The details of remuneration of the MD and CEO is mentioned in Annexure – 8 and there are no stock option provided to the MD and CEO. No other remuneration is paid to the Directors except mentioned above. No member of the Board is granted stock options.

3. COMMITTEES OF THE BOARD

The Board has constituted committees for different purposes of the business of the Company and as per requirements outlined under the Act, LODR and regulations of RBI. Guidelines are set out in regulation 18, 19, 20, 21 of LODR. At the time of constituting a committee, the Board defines terms of reference, appoints members and chairperson. The Board makes any changes thereof of each committee as and when required. The committees are constituted or reconstituted based on business, regulatory and change requirement. The committees constituted by the Board are Asset Liability

Management Committee, Audit and Risk Management Committee, Banking & Securities Management Committee, Corporate Social Responsibility Committee, IT Strategy Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. Brief terms of reference and the number of meetings of the committees held during the Year are provided below. The related attendance of members and composition of each Committee are mentioned in table 2.1.

3.1. ASSET LIABILITY MANAGEMENT COMMITTEE

This Committee was constituted as required under RBI notification/Regulation.

3.1.1 Brief terms of reference

(i) Formulate, review monitor and recommend Investment Policy, Policy on Asset Liability Management, Assignment and Securitisation Policy and Policy on Private Placement of NCDs (ii) Formulation of business strategy in line with the Budget, (iii) provide frame work for measuring, monitoring and managing assets liabilities/interest risk/ liquidity risk/ business risk/ other risk, (iv) decide risk management objectives and ensuring adherence to the limits set by the Board, (v) monitor the asset liability gap, (vi) any other subject as may be specified by RBI from time to time.

3.1.2 Composition and Meetings

Composition of the Committee and attendance are mentioned in the table 2.1. During FY21, the Committee met 4 times on June 11, 2020, August 11, 2020, November 2, 2020 and January 29, 2021.

3.2 AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee constituted as required under Section 177 of the Act, regulation 18 and 21 of the LODR and regulation of the RBI

3.2.1 Brief description of the terms of reference

(i) Review financial reporting process, financial conditions, financial statements, results of operations and ensure financial statements are correct, sufficient and credible, (ii) Review internal control and it's adequacy, financial controls, risk management systems, risk assessment reports, audit report, (iii) Recommend appointment, re-appointment, terms of appointment/ reappointment and remuneration of statutory auditors and review performance and independence of auditor, (iv) review effectiveness of audit process, adequacy and structure of internal audit, internal audit report, investigation report and follow up action thereon, (v) Review repayment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors and scrutiny of inter-corporate loans, inter-corporate investments and if necessary valuation of assets or undertaking, (vi) review and recommend monitor different policies including Risk Management Policy and formulate Related Party Transaction ("RPT") Policy and approve RPTs as required, (vii) review cyber security, (viii) approve appointment of Chief Financial Officer (CFO) (ix) Seek information from employees and (x) review utilisation of loans and/ or advances from/investment by the Company in the subsidiary(ies) exceeding specified limits. The Company Secretary of the Company acts as the Secretary for the Committee.

3.2.2 Composition and Meetings

The Composition of the Committee and attendance are mentioned in the table 2.1. The Committee met 4 times during FY21 on June 11, 2020, August 11, 2020, November 2, 2020 and January 29, 2021.

3.3 BANKING & SECURITIES MANAGEMENT COMMITTEE

The Banking and Securities Management Committee is formed for the purpose of banking, borrowing, securities management and other day-to-day business requirement purposes. There were 63 meetings held during FY21.

3.4 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee was constituted as required under section 135 of the Act. The composition of the Committee and attendance are mentioned in the table 2.1

3.4.1 Brief description of the terms of reference

(i) Formulate, amend, change and recommend to the Board Corporate Social Responsibility ("CSR") Policy of the Company indicating the activities to be undertaken in compliance with applicable regulations (ii) plan, identify, evaluate, check sustainability, decide, approve execute and monitor CSR projects/ programs/activities (iii) recommend an annual action plan including the list of CSR projects or programmes specified in Schedule VII of the Act, the manner of execution, modalities of utilisation of funds in implementation, monitoring and reporting mechanism, and impact assessment (iv) approve CSR activities/expenditure in case of emergency situations or natural calamities and ongoing multi year projects/

programmes/ activities having timelines not exceeding three years excluding the year in which the project/ programmes/ activity commenced (v) recommend ratification of existing projects/programmes/ activities the duration of which has been extended beyond one year by the Board (vi) monitor and decide on all the activities with respect to CSR including appointment of any CSR Agent/ intermediary/ Implementing agency and authorise any official to do any or all necessary acts and deeds as may be required for the purpose of CSR projects/program/activity of the Company (vii) ensure transfer of Unspent CSR amount to any fund specified and (viii) ensure the activities undertaken by the Company as per CSR Policy.

3.4.2 Composition and Meetings

The Committee met 3 times during FY21 on June 11, 2020, November 2, 2020 and February 19, 2021.

3.5 IT STRATEGY COMMITTEE

The Committee was formed as required under RBI/ DNBS/2016-17/53 Master Direction DNBS.PPD. No.04/66.15.001/2016-17 dated June 08, 2017 and other applicable regulations of RBI.

3.5.1 Brief description of terms of reference :

(i) Approve and monitor implementation of IT strategy balancing risk and benefits etc, (ii) Formulate, evaluate and review effectiveness of IT outsourcing policy, contingency plan, (iii) Evaluate IT risks and materiality assessing significant risks and reporting to the Board of such risks, (iv) review independent audit report on IT policies and procedures and action taken on such reports.

3.5.2 Composition and Meetings :

The Committee met 2 times during FY21 on November 2, 2020 and January 29, 2021 during FY21.

3.6 NOMINATION AND REMUNERATION COMMITTEE

This Committee was constituted as required under Section 178 of the Act, regulation 19 of the LODR and regulations of RBI

3.6.1 Brief description of terms of reference :

(i) Identify fit and proper persons to be directors/ members of senior management and should such a need arise, (ii) recommend removal of director from the Board, (iii) Performance evaluation of directors, Board and Committee on an annual basis, (iv) Scrutiny of the declarations/undertakings by the Directors, (v) Formulation of the attributes for fit & proper person and independence of directors, (vi) Remuneration of directors and key managerial personnel ("KMP"), Management of employee talent, welfare, incentive scheme and stock option scheme.

3.6.2 Composition and Meetings :

The Committee met 4 times during FY21 on June 11, 2020, August 11, 2020, November 2, 2020 and January 29, 2021.

3.7 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee was constituted as required under Section 178 of the Act, regulation 20 of the LODR and regulations of RBI. The Committee looks into redressal of grievances of shareholders, debenture holders, other security holders.

3.7.1 Brief description of terms of reference:

(i) Investor/customer services/relations and resolution of grievances, (ii) Issue and listing of securities, (iii) Investor Education and Protection Fund ("IEPF") matters, (iv) Review of security holding patterns, (v) Monitor Code of Conduct for Insider Trading.

3.7.2 Composition and Meetings :

The Committee had met twice during FY21 on August 11, 2020 and January 29, 2021. There were no outstanding shareholder complaint at the beginning of FY21 and the Company has not received any complaint from the shareholder during FY21. No complaint was pending as on March 31, 2021.

4 SUBSIDIARY COMPANY

M/s Shriram Housing Finance Limited, CIN : U65929TN2010PLC078004 ("SHFL") is the only subsidiary of the Company. SHFL is managed by it's Board of Directors consisting of 4 Directors out of which 2 Independent Directors and 2 non Independent Directors. Since, SHFL is an unlisted non material subsidiary, the Company is not required to nominate one of it's independent directors on the Board of SHFL. However, the Board nominated Sri Venkataraman Murali, an independent director of the Company as a director on the Board of SHFL. The financial statements, in particular the investments made by SHFL were reviewed during FY21 by ARMC of the Company. The minutes of the meetings of BM and ARM of SHFL were placed before the BM and ARMC of the Company quarterly. A statement containing all the significant transactions

and arrangements entered into by SHFL was placed before ARMC of the Company. The Policy on Material Subsidiaries and Events and Policy on Preservation and Archival of Documents is available at the website (refer Table - 1)

5 RELATED PARTY TRANSACTIONS

Related party is determined based on Section 188 of the Act, regulation 23, Part A of Schedule V and other applicable regulations of the LODR, RBI regulations and applicable accounting standard. The ARMC of the Company and the Board have approved policy on RPTs, displayed on the web site of the Company (refer Table - 1). The RPTs were reported to the ARMC on quarterly basis. Requisite approvals of ARMC and the Board were taken for RPTs. The details of transactions with entity(ies) belonging to promoter/ promoter group which holds 10% or more shareholding in the Company is given in the notes to accounts of the financial statements. There were no material RPTs during FY21. RPTs are reported in note no. 44 of the Notes to accounts of the financial statements.

6 SHARE HOLDER INFORMATION AND DISCLOSURES

6.1 Corporate

The Company was incorporated on March 27, 1986 as Shriram Hire-Purchase Finance Private Limited with Registrar of Companies, Tamil Nadu, Chennai and got fresh certificate of incorporation consequent to change of name to Shriram City Union Finance Limited with effect from April 10, 1990. The Company made an initial public offering in December, 1994. The corporate identification number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L65191TN1986PLC012840. The Company is registered as a Non Banking Finance Company ("NBFC") with RBI with registration number - 07-00458. The equity shares of the Company are listed in M/s BSE Limited ("BSE") and M/s National Stock Exchange of India Limited ("NSE").

6.2 Appointment/reappointment of Directors

One third of the Directors liable to retire by rotation, retires by rotation and if eligible seek reappointment at AGM. As per provisions of the Act and Articles of Association of the Company, Sri Duruvasan Ramachandra holding (DIN – 00223052) will retire by rotation and being eligible has sought for re-appointment at the ensuing AGM. He has expressed his intention and confirmed his eligibility to continue as Director of the Company if appointed at the ensuing AGM. The notice of the 35th AGM contains this.

6.3 General body meetings / Postal Ballots

The date, time and venue of last three AGMs held and special resolutions passed thereat are as follows. No Extraordinary General Meetings ("EGMs") was held during the last three years.

Year ended March 31	AGM	Location	Date	Time	Special Resolutions passed
2018	32nd AGM	Narada Gana Sabha (Mini Hall), No 314 (Old No 254) T T K Road, Alwarpet, Chennai – 600 018	July 25, 2018	10.00 am	*
2019	33rd AGM		July 29, 2019	10.00 am	**
2020	34th AGM	Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") at Chennai	July 31, 2020	10.00 am	***

*Increase in borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 36,000 crores and private placement of securities

** Appointment of Sri Pranab Prakash Pattanayak (DIN- 00506007) as an Independent Director, Appointment of Sri Venkataraman Murali (DIN-00730218) as an Independent Director, Increase in borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 40,000 crores and private placement of securities

*** Appointment of Sri Ignatius Michael Viljoen (DIN – 08452443) as a Non Independent Director, Appointment of Sri Debendranath Sarangi (DIN – 01408349) as an Independent Director, Appointment of Smt Maya S Sinha (DIN – 03056226) as an Independent Director and Borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 40,000 crores

The following special resolutions were passed under Section 180 (1) (a) of the Act through postal ballot and remote e-voting in FY20 for creation of security on the assets/ receivables of the Company and for securitisation.

Type of voting	Votes casted in favour			Votes casted against			Date of declaration of results
	No of shareholders	No of votes	Percentage of votes	No of shareholders	No of votes	Percentage of votes	
E	58	4,17,43,594	97.01	14	12,86,011	2.99	July 28, 2015
PBF	166	12,81,551	99.94	9	553	0.04	
E	72	4,99,04,913	92.14	32	42,46,650	7.84	July 28, 2016
PBF	72	9,777	0.02	7	292	0.00	
E	100	5,85,57,370	99.85	6	80,871	0.14	June 12, 2018
PBF	74	8,009	0.01	5	127	0.00	
E	64	54,781,018	95.30	37	2,697,401	4.69	July 25, 2018
PBF	58	4,074	0.01	4	95	0.00	
E	57	5,50,04,731	94.64	36	31,09,304	5.35	July 29, 2019
PBF	60	5,002	0.01	1	5	0.00	
E	97	5,76,98,994	99.96	7	20,948	0.04	June 12, 2020

Electronic ("E") and Postal Ballot Forms ("PBF")

The following special resolutions were passed through remote e-voting for issue of debentures on private placement basis by the Board.

Type of voting	Votes casted in favour			Votes casted against			Date of declaration of results
	No of shareholders	No of votes	Percentage of votes	No of shareholders	No of votes	Percentage of votes	
E	98	5,76,99,894	99.97	7	20,054	0.03	June 12, 2020

Sri P Sriram, M/s P. Sriram & Associates, Company Secretaries in practice was appointed as the scrutiniser for carrying the process of remote e-voting in fair and transparent manner.

All business set out in the notice of 35th AGM shall be conducted through remote e-voting in compliance with sections 108, and other applicable Sections of the Act, relevant rules and regulation 44 (3) of the LODR provided by the Company through CDSL. The notice of 35th AGM state the process of respective voting. The voting rights are based on the number shares of the Company held by the member on the cut off date. The scrutiniser appointed by the Board shall submit his report on results of the respective voting to the chairperson after completion of his scrutiny within permissible time. The facility of e-voting shall be made available at the 35th AGM with the assistance of scrutinisers for the members, who have not casted their votes through remote e-voting.

6.4 Materially significant related party transactions

During FY21, there were no materially significant RPTs entered into, which were in potential conflict with the interest of the Company at large. The details of RPTs are presented in note no 44 of the financial statements attached hereto. The statement of RPTs is placed before the Audit Committee on quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature. The Related Party Transaction Policy and dealing with RPTs as approved by the Board is uploaded on the Company's web site (refer Table - 1). None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except the payment of sitting fees to Directors by the Company.

6.5 Accounting treatment

The details of accounting treatment followed during FY21 are mentioned in the Notes to Financial Statements.

6.6 Risk management

Our business is subject to uncertainties and risks. The impact of these risks may impact our performance. If any of the risks materialise, our business, financial and prospectus could be materially and adversely affected. The risk management function of the Company help in identifying, analysing, assessing, mitigating, monitoring and governing risks. The Company has risk management policy. A separate section in this report titled "Management Discussion and Analysis" discusses about risk and its mitigating factors is attached to this report (Annexure - 3). Risk management report is reviewed by ARMC of the Company on quarterly basis.

6.7 Details of non compliance and penalties, strictures imposed

There were no instances of non compliance by the Company on any matter relating to capital market during last three years. No penalties, strictures were imposed on the Company by stock exchanges or SEBI or any other statutory authority (ies) last 3 years except mentioned in the notes to accounts.

6.8 Whistle Blower, Vigil Mechanism and Prohibition of Insider Trading

The Company promotes ethical behaviour in all it's business activities. Accordingly ,the Company has formulated "Whistle blower and Vigil Mechanism Policy" in line with regulation 22 of the LODR and RBI regulations for employees to report concerns about unethical behavior providing for adequate safeguard against victimisation of directors/employees, who avail of the mechanism. This policy is disclosed in the web site of the Company. No person is denied access to the ARMC. The Company has formulated "Code for Fair Disclosure and Conduct", which is displayed on the web site of the Company (refer Table - 1).

6.9 Audit of Reconciliation of share Capital

Audit of reconciliation of share capital is mandated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996. Accordingly, this audit for reconciliation of share capital admitted with NSDL and CDSL with the total issued and listed capital were carried out on a quarterly basis during FY21 by M/s P.Sriram & Associates ("PSA"). PSA was appointed by the Board. The audit reports did not have any adverse comment and the same were submitted quarterly to BSE and NSE within stipulated time.

6.10 Means of communication

Multiple modes are adopted by the Company for communication with shareholders ,debenture holders, fixed depositors such as individual letters, publication in news papers, disclosure to BSE/NSE, display on it's web site, emails, annual reports etc. The annual and quarterly financial results of FY21 are generally published in newspaper in english in "Business Standard" and in Tamil in "Makkal Kural" within 48 hours of conclusion of the Board Meetings at which the respective financial results were approved and are sent to individual shareholders through email to those shareholders registered their email ids with the Company. Financial Results are also available on the website of the Company (refer Table - 1), BSE and NSE. During FY21, financial results were not published in news papers as exempted under SEBI circulars SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020 and SEBI/HO/CFD/CMD1/CIRs/P/2020/79 dated May 12, 2020 for Q4-FY20 and Q1-FY21.

The Company also gives press release in different news papers after declaration of financial results for information of investors. The Company's website contains a separate section "INVESTOR", where shareholder/security holder information are displayed. Presentations made to institutional investors, investors/earning conference calls or to the analysts transcripts, and other general information about the Company are also available on the Company's website (refer Table - 1).

The annual report of the Company is also displayed at the same section of the website of the Company (refer Table - 1). Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form. The annual report and quarterly financial results were sent in electronic form to the registered email Ids of shareholders, who have registered their email ids. In view of the prevailing COVID-19 situation and consequent lockdown across the country, the Ministry of Corporate Affairs (MCA) has exempted companies from circulation of physical copies of Annual Report for year ended March 31, 2021. The Annual Report of the Company containing director's report, standalone financial statements, consolidated financial statements, auditor's report thereon and other important information are circulated to members and others entitled thereto by email. The investor complaints are processed in centralized web based complaints redressal system controlled by SEBI known as SEBI Complaint redress system ("SCORES"). The Investor section of the web site contains specified email ids for investor servicing i.e. sect@shriramcity.in, scufncd18@shriramcity.com, customersupport@shriramcity.com, shriramcity@shriramcity.in The Company has been filing the information related to corporate governance, shareholding pattern, reconciliation of share capital audit and quarterly financial results in the website of NEAPS (National Electronic Application Processing System) viz https://neaps.nseindia.com/NEWLISTINGCORP/ and on BSE Listing Centre https://listing.bseindia.com. The presentations made by the Company to analysts

are displayed on the web site of the Company (refer Table - 1). The SRC of the Board examines and redresses grievances of the shareholders and investors. The status of grievances of shareholders and investors are reviewed by the ARMC and Board. The Company discloses to BSE/NSE information required to be disclosed under Regulation 30 read with Part A of Schedule III of the LODR including material information having a bearing on the performance / operations of the Company or other price sensitive information. The Board of Directors has approved a policy for determining materiality of events as required under LODR.

6.11 Details of 35th AGM

a. Date and Time	July 29, 2021 at 10 a.m.
b. Venue	The Company will conduct meeting through VC/OVAM pursuant to the MCA circular and as there is no requirement to have venue for the AGM. For details please refer to the Notice of AGM.
c. Dividend	Interim dividend and 2nd Interim dividend of ₹ 10.00 per equity share declared by the Board at its meeting held on November 2, 2020 and March 26, 2021 were paid on November 27, 2020 and April 19, 2021 respectively. The Board has recommended final dividend of ₹ 13.00 per equity share at its meeting held on April 30, 2021.

6.12 Financial Year

The financial year for FY21 was from April 1, 2020 to March 31, 2021. The next financial year is from April 1, 2021 to March 31, 2022. The financial year of the Company is from April 1 to March 31.

6.13 Details of listing on stock exchanges

The annual listing fees to BSE and NSE and annual custodian fees to NSDL and CDSL for FY21 for the Company were paid on time. The equity shares of the Company with ISIN – INE722A01011 are listed in BSE with stock code 532498 and NSE with stock code SHRIRAMCIT. The details of listed secured redeemable non-convertible debentures (NCDs) of the Company are displayed on the website of the Company (refer Table - 1). The Company submitted the documents/information to the respective Trustees for the issues and allotments of NCDs made on time during FY21 in compliance of Regulation 55 of the LODR.

6.14 Stock market price data

The volume and market price (high and low) of equity shares of the Company traded during each month during FY21 are given below.

	NSE							BSE						
Month	**Per share price (in ₹ of the Company)**			**Volume of shares traded**	**NIFTY (in ₹)**			**Per share price (in ₹ of the Company)**			**Volume of shares traded**	**SENSEX (in ₹)**		
	High	**Low**	**Average**		**High**	**Low**	**Average**	**High**	**Low**	**Average**		**High**	**Low**	**Average**
Apr-20	795.00	711.00	753.00	356127	9859.90	8083.80	8971.85	791.95	717.15	754.55	9183	33717.62	27590.95	30654.29
May-20	754.95	642.85	698.90	227283	9580.30	8823.25	9201.78	739.20	639.95	689.58	11872	32424.10	30028.98	31226.54
Jun-20	716.70	641.00	678.85	2335823	10471.00	9813.70	10142.35	702.70	632.80	667.75	140203	35430.43	33228.80	34329.62
Jul-20	711.50	666.45	688.98	1599241	11300.55	10430.05	10865.30	708.75	657.55	683.15	68006	38492.95	35414.45	36953.70
Aug-20	989.85	657.05	823.45	2840188	11647.60	10891.60	11269.60	982.20	655.70	818.95	205438	39467.31	36939.60	38203.46
Sep-20	1002.20	881.00	941.60	889961	11604.55	10805.55	11205.05	996.80	885.45	941.13	35322	39302.85	36553.60	37928.23
Oct-20	951.35	784.00	867.68	456172	11971.05	11416.95	11694.00	936.40	778.90	857.65	21430	40794.74	38697.05	39745.90
Nov-20	1113.00	810.00	961.50	1185574	13055.15	11669.15	12362.15	1102.55	821.90	962.23	40300	44523.02	39757.58	42140.30
Dec-20	1120.40	952.50	1036.45	897116	13981.95	13109.05	13545.50	1108.75	989.65	1049.20	39730	47751.33	44618.04	46184.69
Jan-21	1154.00	992.00	1073.00	1089775	14644.70	13634.60	14139.65	1144.85	983.80	1064.33	63231	49792.12	46285.77	48038.95
Feb-21	1606.10	1050.00	1328.05	2235516	15314.70	14281.20	14797.95	1609.95	1155.45	1382.70	151851	52154.13	48600.61	50377.37
Mar-21	1576.50	1357.00	1466.75	374142	15245.60	14324.90	14785.25	1570.20	1353.60	1461.90	39520	51444.65	48440.12	49942.39

Average price per share= (High price per share+Low price per share)/2

6.15 Movement of share price of the Company in comparison to NIFTY and SENSEX

Report on Corporate Governance
Annexure 1 (Contd.)

6.16 Contact Details

Particulars		Name	Address	Contact person name	Telephone number	Fax Number	E-mail id
Registrar and Transfer Agents (RTA)	Equity Shares & Dividend	Integrated Registry Management Services Private Limited	2nd Floor, Kences Towers, No. 1 Ramakrishna Street, Off North Usman Road, T. Nagar, Chennai – 600 017	Smt Anusha N Sri K Balasubramanian	+ 91 44 2814 0801 /02/03	+ 91 44 2814 2479	csdstd@integratedindia.in
	Public issue of NCDs 2011, 2012 and 2019						csdstd@integratedindia.in or scuf@integratedindia.in
	Public issue of NCDs 2013 and 2014	Shriram Insight Share Brokers Ltd	CK – 5 &15, Sector II, Salt Lake City , Kolkata - 700 091		+ 91 33 3250 7069 +91 33 2358 7188	+ 91 33 2358 7189	scuf_nov13@shriraminsight.com and scuf_mar14@shriraminsight.com
Trustees for NCDs		Catalyst Trusteeship Limited	GDA House, First Floor, Plot No. 85, S No. 94 & 94, Bhusari Colony (Right), Kothrud, Pune – 411 038	Ms. Rakhi Kulkarni	+ 91 20 2528 0081	+ 91 20 2528 0275	dt@ctltrustee.com or grievance@ctltrustee.com
Statutory Authorities		Ministry of Corporate Affairs ("MCA")	'A' Wing, Shastri Bhawan, Rajendara Prasad, New Delhi – 110 001		+91 11 2338 4660/ 2338 4659		
		Securities and Exchange Board of India ("SEBI")	Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051		+91 22 2644 9000/ 4045 9000	+91 22 2644 9019 – 22 / 4045 9019-22	sebi@sebi.gov.in
		Reserve Bank of India ("RBI")	16th Floor, Central Office Building Shahid Bhagat Singh Marg, Mumbai – 400 001		+91 22 2260 1000		
Stock Exchanges		National Stock Exchange of India Limited ("NSE")	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051		+91 22 2659 8100 - 8114	+91 22 2659 8120	
		BSE Limited ("BSE")	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001		+91 22 2272 1233	+91 22 2272 1919	corp.comm@bseindia.com
Depository		National Securities Depository Limited ("NSDL")	Trade World, A wing, 4th floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013		+91 22 2499 4200 Toll free 1800 222 990	+91 22 2497 6351	info@nsdl.co.in
		Central Depository Services (India) Limited ("CDSL")	Marathon Futurex, A - wing, 25th floor, N M Joshi Marg, Lower Parel, Mumbai – 400 013		+91 22 2305 8640/8624/8639/ 8663 Toll free 1800 22 5533		helpdesk@cdslindia.com

The aforesaid details are displayed on the website of the Company.

6.17 Share transfer system:

Company's shares are held by the holders in dematerialised form and few share holders hold it in physical form. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfer of shares held in dematerialised form are effected through the depositories with no involvement of the Company. In terms of Regulation 40 of LODR securities can be transferred only in dematerialised form w.e.f. April 1, 2019 except in case of request received for transmission or transposition of securities. Transfer of shares held in physical form are effected through the RTA. Valid transfer requests received on or before March 31, 2021 were processed by the RTA and within stipulated time. The documents for transfer of securities held in physical form can be lodged with respective RTAs. The Board has delegated the authority to approve transfer, transmission etc of shares and securities of the Company to it's BSMC. As stipulated under Regulation 40(9) of the LODR, the Company obtained half yearly certificates of compliance with share transfer formalities from M/s SPNP & Associates, Company Secretary in practice and filed copies of the said certificates with BSE & NSE during FY21 within stipulated time. There were no deviations reported in the said certificates. The Company also received internal audit report of RTA.

6.18 Updation of Demographic Details :

Updation of Nomination, Permanent Account Number ('PAN"), Bank account details and other required details can be made by applying in the specified form with necessary enclosure to the RTA or Depository Participant as the case may be. SEBI has made PAN card as mandatory for transfer/transmission of securities.

6.19 Distribution of shareholding as at March 31, 2021

No. of equity shares held	Shareholders		Shares	
	Number	%	Number	%
UPTO 500	12,656	94.99	6,00,826	0.91
501-1000	296	2.22	2,22,502	0.34
1001-2000	132	0.99	1,88,966	0.29
2001-3000	65	0.49	1,66,539	0.25
3001-4000	23	0.17	79,009	0.12
4001-5000	25	0.19	1,12,282	0.17
5001-10000	46	0.35	3,28,317	0.50
10001 AND ABOVE	81	0.61	6,43,06,581	97.42
Total	**13,324**	**100.00**	**6,60,05,022**	**100.00**

6.20 Shareholding pattern (in %) as at March 31, 2021

Promoters	Mutual Funds	Banks and FIs	FII	Bodies Corporate	Individuals	Limited Liability Partnership	Foreign Com pany	Foreign Portfolio Investor	NRIs	Others	Alternative Investment Fund	Total
34.6337	3.5259	0.0044	0.0124	10.1278	2.4568	0.0022	20.3346	28.4741	0.1458	0.2821	0.0002	100

6.21 Dematerialisation of shares and liquidity

The Company's equity shares are tradable compulsorily in dematerialised form in BSE and NSE, which are managed by NSDL and CDSL. The connectivity with NSDL and CDSL is established through the RTA. As on March 31, 2021, 6,58,78,916 nos of equity shares (99.80% of the shares), existed in dematerialised form. The Company's shares are liquid and are actively traded in both NSE and BSE.

6.22 Outstanding GDR/ADR/Convertible warrants, conversion date and impact on equity

The Company has not issued any GDR / ADR. The Company has granted stock options to the eligible employees of the Company under Employees Stock Option Scheme, 2006. The details of the scheme are set out under annexure to Report of Directors.

Report on Corporate Governance
Annexure 1 (Contd.)

6.23 Location

The Company is in the business of Non Banking Finance and operates through various offices in India with registered office at Chennai.

6.24 Address for correspondence

Registered Office :123, Angappa Naicken Street, Chennai 600 001, Ph: +91 44 2534 1431

Secretarial Office :144, Santhome High Road, Mylapore, Chennai 600 004. Ph : +91 44 4392 5300 Fax No : +91 44 4392 5430
Email : sect@shriramcity.in

6.25 Calendar for the financial Year 2021 – 2022 (tentative)

Annual General Meeting	September, 2022
Unaudited results for the quarter ending June 30, 2021	Last week of July, 2021
Unaudited results for the quarter / half –Year ending September 30, 2021	Last week of October, 2021
Unaudited results for the quarter ending December 31, 2021	Last week of January, 2022
Audited results for the Year ending March 31, 2022	Last week of May, 2022

6.26 Adoption of Mandatory and Non Mandatory requirements under LODR

The Company has complied with all mandatory requirements and has also adopted the non mandatory requirements deemed appropriate. The report of the auditors of the Company does not contain any qualification on the financial statements. The posts of Chief Executive Officer ("CEO") and Chairman of the Company are held by two separate persons. The Company does not maintain a separate office for the Non–executive Chairman.

7. COMPLIANCE ON FINANCIAL REPORTING

The Company complies with the requirements of Financial Reporting. The MD & CEO and CFO give annual certification on financial reporting and internal control to the Board in terms of regulation 17(8) read with Part B of Schedule II of the LODR. The said certificate issued for FY21 is attached to this report as Annexure - 4. The CEO & MD and CFO also issue certificate on financial results every quarter, while placing the quarterly financial results before the BM in terms of Regulation 33 (2) (a) of the LODR.

8. COMPLIANCE WITH CORPORATE GOVERNANCE

We have complied with the requirements of Corporate Governance. A certificate from the auditors of the Company, M/s GDA Apte & Co., Chartered Accountants confirming compliance with the conditions of corporate governance as stipulated under Part E of Schedule V of the LODR is attached to this report (Annexure No - 2).The certificate is without any adverse remarks, reservation.

9. ELIGIBILITY FOR APPOINTMENT/CONTINUANCE AS A DIRECTOR

Each director has declared to the Company stating that he/she is not disqualified or debarred by the Board / Ministry of Corporate Affairs ("MCA") or any such statutory authority from being appointed as a director on the board of company or to continue as director of company. The Board at its meeting held on June 11, 2020 appointed PSA , Practicing Company Secretary for verification of the disqualification of directors and certify thereon. Pursuant to Schedule V Para C clause (10) (i) of the LODR, the Company has obtained certificate from PSA, Practicing Company Secretary confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority (Refer Annexure - 10).

G.D. Apte & Co.
Chartered Accountants

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members Shriram City Union Finance Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated October 16, 2020.
2. We have examined the compliance of conditions of Corporate Governance by Shriram City Union Finance Limited ('the Company'), for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

3. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

Opinion

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.
8. Based on our examination as above and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2021.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

For **G. D. Apte & Co.**
Chartered Accountants
Firm Registration Number: 100 515W
UDIN: 21121007AAAACE8729

Anagha M. Nanivadekar
Partner
Membership Number.: 121 007
Pune, April 30, 2021

Management Discussion and Analysis

Annexure 3

GLOBAL ECONOMY

The COVID-19 pandemic ensued global economic downturn is the most severe one since the Global Financial crisis. The lockdowns and social distancing norms brought the already slowing global economy to a standstill. Global economic output estimated to fall by 3.50% in 2020 *(IMF January 2021 estimates)*. Governments and central banks across the globe deployed various policy tools to support their economies such as lowering policy rates, quantitative easing measures, etc.

As per World bank report, following a collapse last year caused by the COVID-19 pandemic, global economic output is expected to expand 4% in 2021. Global growth is projected to moderate to 3.80% in 2022, weighed down by the pandemic's lasting damage to potential growth. In particular, the impact of the pandemic on investment and human capital is expected to erode growth prospects in emerging market and developing economies (EMDEs). Although aggregate EMDE growth is projected to be around 4.20% in 2021-22, the improvement largely reflects China's expected rebound. Barring China, the recovery across EMDEs is expected to be muted at around 3.50% in 2021-22

(Source: World Bank – Global Economic Outlook 2021).

Outlook

Limiting the spread of the virus, providing relief for vulnerable populations, and overcoming vaccine-related challenges remain the key immediate policy priorities to make a turn around from the current worldwide crisis. The global recovery, which has been dampened in the near term by a resurgence of COVID-19 cases, is expected to strengthen over the projected period as confidence, consumption, and trade gradually improve, supported by ongoing vaccination programme.

INDIAN ECONOMY

The economic fallout of the pandemic led nation-wide lockdown on the Indian economy has been rather severe,with GDP registering 4.20% growth in FY20. With the onset of the pandemic and lockdown restrictions on economic activity, GDP growth for FY21 is estimated to decline by 7.70%. Private consumption is estimated to contract by 9.50% in FY21 owing to demand shrinkage based on income loss, mobility restrictions and supply constraints. Government consumption is estimated to rise by 5.80% due to increased expenditure as part of pandemic relief packages. Although, since the unlocking (June '2020 onwards), there has been a resumption in economic activity, the pace and extent of the same have been wavering. Some parameters have been witnessing progressive, albeit gradual advances, while for some segments, the improvements have been losing steam.

Although business and commercial activity is expected to be higher in the coming months with the resumption of economic activity and optimism surrounding the vaccine, uncertainty abounds on all these fronts. Concerns over the new strain of the virus and associated restrictions might overshadow the optimism of a faster vaccine fuelled economic recovery.

Outlook

In the next financial year (i.e. 2021-22), the domestic economy is projected to register positive growth in the range of around 9 to 11 %, fuelled up by the low-base effect. This number can be lower in case there is any improvement in the negative growth rate of FY21. However, despite the higher growth trajectory, the size of the economy would be around that of 2019-20. With economic activity expected to attain the pre-lockdown levels only gradually amid uncertain prospects, the purported growth trajectory of the nation's economy has been effectively derailed for the next 1-2 years.

INDUSTRY REVIEW

Indian Financial Services Sector

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

Financial inclusion has accelerated since 2014 with the roll-out of Pradhan Mantri Jan-Dhan Yojana, UPI-based digital payments and linkage of Government subsidies to bank accounts, creating growth in the Indian banking sector. The Government decided to consolidate public sector banks (PSBs) with the hope of creating larger banks with greater financial strength, better international competitiveness and ability to support larger lending volumes. Government of India (GOI) has decided to recapitalise the PSBs to the extent of ₹ 20,000 crores.

The insurance industry is at crossroads. While it is among the fastest growing markets in the world, penetration in the same is low and coverage needs to be substantially increased and distribution has to be enhanced. Foreign Direct Investment (FDI) in insurance has been increased to 74% in the current budget. A possible strategic disinvestment of a PSU insurance company and IPO of LIC have been announced by the GOI.

Indian financial services sector scenario in FY21 has been quite different from the past. There is surplus liquidity in the system. Growth in credit is lagging that of deposits and yet there is a tendency for GSec yields to increase not withstanding aggressive measures by the RBI to keep them down. At the same time banks are lowering their lending rates to garner business especially on the retail side. Hence the movement of commercial lending rates and GSecs are not in consonance. During the financial year FY21, the banking system liquidity surplus has widened from ₹ 2.52 lacs crores on March 31, 2020 to ₹ 3.80 lacs crores on March 31, 2021 primarily on account of deposit growth outpacing credit growth and a number of liquidity injection measures (like CRR reduction, OMO purchases) undertaken by the RBI.

(Source: CARE Research and IBEF Report)

Indian Non-Banking Financial Companies (NBFCs)

In the aftermath of NBFC crisis and pandemic, the sources of funds, especially for small and mid-size NBFCs, got affected due to risk aversion of banks, while top rated large NBFCs were able to access funds via multiple sources. As mentioned in the RBI's Financial Stability Report, NBFCs and HFCs continue to be the largest borrowers of funds from the financial system of which a substantial part of funding is done by the banks. Amidst these challenging times, overall exposure of the banks to NBFCs has been increasing. The Commercial Papers (CPs) and Corporate Debt (CDs) deployed together in NBFCs increased in January 2021 and reached at level witnessed in January 2020. Banks' outstanding credit to NBFCs registered a slower growth of 6.60% in January 2021 (as compared with 35.80% in January 2020) largely due to high base effect and investment by banks in NBFCs through various capital market instruments supported by RBI/Government of India. Growth in bank credit to NBFCs has registered a downward trend due to risk aversion in the banking system. However, the same improved to 9.20% in February 2021 indicating ease of fund availability for NBFCs and enhancement in turnaround opportunities.

Figure 2: Growth in bank credit to NBFCs vis-a-vis overall bank credit growth

Outlook

A year into the post COVID-19 world, the sector expected to get relief through privatisation and recapitalisation of PSBs, simplification of governance reforms, easing of credit access norms and a boost to digitisation.

INDIAN MSME SEGMENT

The Micro, Small and Medium Enterprises (MSMEs) sector is a major contributor to the socio-economic development of the country. In India, the sector has gained significant importance due to its contribution to Gross Domestic Product (GDP) of the country and exports. India has approximately 6.30 crores MSMEs. The number of registered MSMEs grew 18.50% Y-o-Y to reach 25.13 lacs (2.50 lacs) units in 2020 from 21.21 lacs (2.10 lacs) units in 2019. The Indian MSMEs sector contributes about 29% towards the GDP through its national and international trade.

The sector has been rendered vulnerable by the pandemic necessitating concerted effects to combat the stress and focus on the revival of the sector. Reserve Bank of India (RBI) made crucial interventions to support the economy's critical sector. Budget Outlay to the MSME sector doubled to ₹ 15,700 crores in the Budget of 2021. Also, the changes in customs duty in current year budget will provide a level playing field to MSMEs and aid in attaining global competitiveness.

MSMEs are being encouraged to market their products on the e-commerce site, especially through Government e-Marketplace (GeM), owned and run by the government, where from Ministries and PSUs (public sector undertakings) source their procurement. The platform has recorded transactions worth ₹ 55,048 crores (USD 7.50 lacs) until September 2020.

Increasing digital payment and digital penetration across the country has the potential to raise the productivity of agriculture, manufacturing and businesses as well as improve the delivery of public services like healthcare and education. In the financial sector this could lead to higher financial inclusion, lesser information asymmetry and reduced credit risk. Measures on credit access, digital adoption and reskilling would be critical to support MSMEs, which were amongst the worst hit during the pandemic.

Outlook

The Government of India has envisioned to double the Indian economy to USD 5 trillion in five years. In order to achieve this goal, career opportunities for the young population has to be generated and MSMEs have the potential to serve as a key employment generator. Therefore, the government has taken up promotion of MSMEs in order to create new jobs in the sector. Further, the government aims to enhance MSME's share in exports and its contribution to GDP.

In order to achieve these targets, the government should invest in providing more back-end services to improve performance of the MSME sector. Lack of technology-based production activities and low investment in R&D activities are bottlenecks hindering the sector to become competent. Globally available technology could be subsidised by the government so that the product quality of MSME players can be improved using the existing resources. This also requires the help of academic institutions in the form of providing research and development (R&D) services for product innovation.

Role of NBFCs in MSME Financing

Providing reliable access to efficient formal credit to MSMEs has long been challenging due to

(i) inadequate formal data for credit assessment in case of informal, micro SMEs,

(ii) lack of tailormade products to suit the borrower and lender risk profiles/appetite,

(iii) long turn-around times for granting loans, and

(iv) the requirement of collateral, guarantees, etc. required by most traditional lenders.

Over the last decade, NBFCs have been significant credit providers to MSMEs especially at the lower end. Well established regional NBFCs with in-depth knowledge of micro markets and low-cost distribution networks provide access to credit to MSMEs beyond the tier I cities, while focusing on credit underwriting tailored to informal and smaller MSMEs.MSME lending segment has seen maximum disruption through new business models including the evolution of fintech lenders seeking to use innovative approaches to credit underwriting and offering innovative products with a lower turn-around time. NBFCs serve MSMEs through

(i) differentiated credit underwriting approach that takes into account multiple sources of data (formal and informal) in the absence of credit ratings/formal data, seasonality of cashflows, industry and cluster risks, as well as a 360-degree view of the borrower,

(ii) designing product offerings that are best suited to their target segments keeping in mind the customers working capital cycle/cash flow requirements,

(iii) reduced turn-around times from credit appraisal to disbursement through standardised processes and use of technology.

The NBFCs' difference in approach to underwriting MSME credit has been made possible by their focus or specialisation in MSME-lending by sector, geography, client segment, or a combination of these factors and their calibrated operations and streamlined distribution networks designed to best serve their customers.

(Source: The Economic Times)

Role of NBFCs in Automobile Loans Financing

NBFCs take exposure to wholesale as well as to retail sectors. The retail loan book exposure of the NBFCs consist of vehicle financing, housing loans and microfinance whilst the wholesale portfolio exposure includes infrastructure loans and structured credit products, among others. NBFCs take enormous exposure to vehicle financing. Around 85% of the total vehicle financing exposure of NBFCs is from commercial vehicles (CVs) and passenger car/utility Vehicles (UVs) financing. Balance include tractor/two/three wheeler financing.

The automotive sector that was already grappling with fall in consumer demand in FY20, was further affected by the ongoing pandemic in FY21. Due to the pandemic, the first half of FY21 saw a sales decline of close to 38% due to a combination of supply and demand disruption. However, the market has since shown green shoots of recovery, with high growth in second half year of FY21. Segments like tractors, passenger vehicles and two-wheelers showed an impressive recovery on a sequential basis in FY21. Demand for automobiles in FY22 will depend on how quickly the economy progresses and lifts consumer incomes.

Medium and Heavy Commercial Vehicles (MHCVs) segment is expected to be the last segment to recover as its performance is directly proportional to the pick-up in country's infrastructural and mining activities. Light commercial vehicles are expected to perform better than MHCVs with sustained demand from the E-commerce sector and increase in freight movement. Within the three wheelers industry, the passenger carrier segment will continue to be under pressure due to the prevailing social distancing norms, while the goods carrier segment is expected to augur well. The demand for tractors is expected to continue staying strong, owing to a resilient rural economy.

The voluntary vehicle scrappage policy along with mandatory vehicle fitness tests is expected to boost personal and commercial vehicle demand. The customs duty rate has been increased on certain auto parts (such as ignition wiring sets, safety glass, parts of signalling equipment) being in line with the Government's Aatmanirbhar Bharat initiative to promote localisation in auto spare parts manufacturing.

The emphasis on credit availability will support demand recovery in the sector. The continued focus on building rural and agricultural infrastructure and prioritising agriculture credit growth will have a long-term positive impact on the rural demand for passenger, small and light commercial vehicles.

(Source: CARE Research)

Role of NBFCs in Gold Loans Financing

Gold is treated as a very important asset among the Indians and is considered being a representative of financial security, social status and cultural legacy. In India, due to emotional value associated with gold jewellery, people pledge the same as collateral instead of selling it and secure gold loans. The organised gold loan market in India comprises of banks, NBFCs and Nidhi companies. However, gold loan NBFCs have consistently increased their market share through aggressive investments in branding, promotion and geographical expansion. These NBFCs hold competitive edge over banks and other financiers through faster loan processing, accurate gold evaluation, safekeeping and auctions of gold. With this, the NBFCs are well poised to increase their loan book size going forward with the demand increase among customers driven by higher economic activity throughout the country post 'unlock' phases.

(Source: KPMG Report)

Role of NBFCs in Housing loans

NBFCs remained the biggest engines for the housing finance growth drive in the country since last one decade. They are the largest borrowers of funds from the financial system. Housing Finance Companies (HFCs) in FY21 might witness a growth of 10-12% on the back of Governments push on affordable housing, new business strategies like co-lending with banks and leveraging loan securitisation. However, asset quality in the wholesale books remains to be a key concern which might adversely impact provisions and profitability thereon.

The wide differential among NBFCs' funding costs is likely to push the sector to consolidate, especially in the sectors with a thin margin profile and limited product differentiation, while the strong regulatory support in FY21 ensured adequate liquidity. Going forward, the NBFCs will also look at taking advantage of the co-lending opportunities presented by regulations and try to earn fee incomes from the stream.

Management Discussion and Analysis
Annexure 3 (Contd.)

PERSONAL LOAN

Personal loan availment from NBFCs has gained momentum in last few years due to their ease of availability and also due to change in the behavioural consumption pattern among people. With the advent of newer technological platforms and ease of credit norms to avail personal loans, increasing number of people are showing affinity to avail the same. Personal loans, which are typically consumption loans borrowed without any security to meet expenses, have witnessed a 23% year-on-year rise in the number of women borrowers in the first nine months of 2020-21 (FY21) (till December 2020).

(Source: CRIF High Mark Report)

COMPANY REVIEW

Incorporated in 1986, Shriram City Union Finance Limited ('Company') has grown to be one of the leading NBFCs in the retail finance industry, providing timely borrowings to its customers and delivering value to its stakeholders. With its pan India presence of 926 branches, it has developed AUM of ₹ 29,571 crores in FY21. The Company's product portfolio encompasses providing borrowings to small scale business owners; lending for purchasing two wheelers, commercial vehicles, passenger cars, loan gold, personal loan, loan against property and Pre-owned Two Wheelers loans.

Asset Under Management as on March 31 (₹ in crores)

₹ in crores

2019	2020	2021
29,582	29,085	29,571

Product wise performance review (₹ in crores)

₹ in crores

Loan Type	Disbursement in 2020-21	AUM in 2020-21
MSMEs	3,241	15,070
Two-wheelers	5,134	6,884
Gold Loans	5,927	3,789
Personal Loan	1,493	2,007
Auto Loan	257	546
Pre-owned Two Wheelers	913	1,087
Loan Against Property	189	188
Total	**17,154**	**29,571**

Key highlights in 2020-21

- Driven growth through strong demand pull from the MSME loan and the two wheeler loan segments
- Achieved strong financial growth through higher NIM (Net Interest Margin) of 12.29% and stronger loan yields of 19.57%
- Raised longer tenure resources through fresh long-term borrowings
- Reinstated credit fundamentals through strong credit ratings received from multiple credit rating agencies
- Improved collection efficiency and asset quality through state-of-the-art coverage network and distribution systems
- Strong focus on technology platforms to leverage the opportunities emanating from digital based lending trends.

Key Financial Ratios

Key Ratios-IND AS	Year Ended FY20	Year Ended FY21
Return on Average Total Assets (Annualised)	3.31%	3.10%
Return on Average Net Worth (Annualised)	14.71%	13.19%
Earnings per share (₹) (Basic)	151.60	153.16
Book value per share (₹)	1,092	1,230
Capital Adequacy Ratio (CAR)	27.69%	28.64%
Interest Coverage Ratio	1.63	1.65
Debt-Equity Ratio	3.21	3.15

OPPORTUNITIES AND THREATS

Opportunities

- Leverage the strong parentage of being one of the largest financial conglomerates in India
- Brand equity to garner higher acceptability among the underprivileged section of the society
- Higher and ever-increasing government regulations and tightening of norms to restrict competition and deter entry of unorganised players, thus benefiting the leaders in the industry
- Increasing geographical reach and higher customer base creating opportunity to penetrate further into the hinterland
- Increasing disposable income, change in consumption pattern and shift in mindset to spend bringing in higher demand for consumer loans
- With government's initiatives to increase spend in the MSME segment to increase start-up businesses and thus demand for MSME loans

Threats

- Increasing competition from the global and local competitors in terms of product development and technology innovations leaving very thin margin of errors
- Regulatory and compliance related changes in the sector affecting NBFCs
- Growing commoditization of the financial products remain the toughest challenge for the Company.

HUMAN RESOURCES

Amidst today's evolving socio-economic changes, attracting the best talents from the industry, maintaining their highest productivity level through continuous skill building exercises and retaining them in the organisation plays a pivotal role to the success of any company where human capitals are the most coveted assets.

The company provides object-oriented trainings to our workforce and encourages them to attain newer skill sets through embracing newer technologies that transpires to give benefits in the long run and ensure sustainability of the business. Dedicated HR function generates employee strategies to make best in class working environment through innovative learning process, skill developing seminars and training sessions and adapts the cross-cultural workforce to the rapidly changing business environment.

All employees across the levels are encouraged to maintain the highest standards of integrity, honesty and ever-learning attitudes. The company maintains cordial relationship with its employees, provides equal opportunities and implements policies on prevention of sexual harassments of women workforce on the job. Total number of employees as on March 31, 2021 was 24,963.

RISK MANAGEMENT

Risk management remains an integral part of the Company's business DNA over the years. The Company, being engaged in the retail lending business, has to face and manage different risks throughout its business spectrum such as credit risk, market risk, operational risks etc. The Company manages risks through its robust risk management framework and prudent de-risking policies approved by the Risk Management Committee and the Members of the Board. The Risk Management Committee regularly analyse, assess and manage risks through proper implementation and proactive monitoring of risk policies on a continuous basis encompassing every strata of the organization. The Risk Management Committee has identified and categorised the major risk classes encompassing credit, market, legal and regulatory, operational, liquidity, interest rate, cyber security and information technology risks among other significant risks.

Risk management framework:

Credit Risk

Credit risk is the risk of default on a loan that may arise from a borrower failing to make required payments on time. This risk could also lead to loss of interest revenue, disruption to cash flows, and increased collection costs. With more than three decades of experience, the Company continues to manage the credit risk with its established risk policies and robust demonstrated risk mitigation model.

The Company has adopted extensive range of credit risk management policies, procedures and controls, as given under:

- Stated credit policies, guidelines and methods throughout all business functions and encompassing entire product portfolio
- Robust credit appraisal process for all business segments simultaneously putting in place commensurate risk mitigation practices
- Underwriting of borrowed capital keeping in mind the inherent cash flows of the customers and taking effective inputs from credit bureaus information reports
- Regular stress testing and scenario analysis of the entire credit portfolio to implement corrective actions
- Mandated use of defined credit ratings from established credit rating agencies to make portfolio investments decisions with systematic tracking of the portfolio
- Appropriate risk exposures taken through rigorous analysis of the counterparty fundamentals, industry and sectoral risks
- Portfolio risk concentration managed through implementation of prudent allocation strategies amongst different asset classes, industry sectors, geographical regions, single liability and joint liability groups.

Market Risk

Market risk for the Company emanates from the risk arising out of sudden adverse movements in the equity share prices, interest rates, credit spreads, foreign exchange rates, commodity prices etc.

The Company has adopted extensive range of market risk management policies, procedures and controls, as given under:

- The Asset Liability Management Committee (ALCO) frequently monitors the market movements, government policy decisions, changes in regulatory scenario affecting the NBFC space and tweaks the strategies and operationalise them in prudent and timely manner
- Well-organised Market Risk Management System is in place to proactively monitor the market risks and accordingly de-risk the loan book portfolio
- Impact generated from sudden market shocks were simulated periodically through rigorous stress testing of the portfolio across asset classes.

Operational Risk

Operational risks are the risks arising from inadequate or failed internal processes, people and systems or from external events. Such failures can have significant impact on the business operations and financial position and can impact the long-term well being of the Company. These risks are efficiently addressed through implementation of the comprehensive Operational Risk Management Framework. This framework identifies the risks, analyses it, takes corrective actions in timely manner and continuously monitors the risk progression. A stable and experienced management team provides much needed continuity and expertise in managing the dynamic changes in the market environment. Process improvements and quality control are on-going activities.

The Company has adopted extensive range of operational risk management policies, procedures and controls, as given under:

- Operational risk control strategies and procedures to evaluate, monitor, review and report to management for robust controls and minimal losses
- State-of-the-art corporate governance practices, Code of Conduct, corporate ethos and organisation-wide approach for risk management are the pillars for mitigating operational risks
- Need based systematic reviews and updating of the internal controls and systems
- Systematic skill development programs and seminars to ensure organisation-wide standard and homogeneous potent workforce
- Structured standard operating procedures to ensure improved governance over transactions, portfolio assessment and regulatory compliance
- Risk oriented audit procedure performed at systematic intervals across all departments to reduce enterprise risk exposure
- Regular stress testing and audits of the Brief Disaster Recovery (DR) plan and Business Continuity Plan (BCP) done to assess the preparedness of the Company to contingencies

- DR and BCP ensures long term sustainability of the organisation synchronising the deliverables as confronted with sudden adverse events
- Existence of contingency plan to ensure data security and data recovery in case any 'force majeure' contingency.

Interest Rate Risk

The risk emanating from the financial loss occurred in view of adverse movements in the interest rates for both lending and treasury operations is called interest rate risk. Significant adverse movements in interest rates can deteriorate the net interest income and affect profitability negatively.

The Company has adopted extensive range of interest risk management policies, procedures and controls, as given under:

- Extensive policies and procedures put in place to put the assets and liabilities exposure within the stipulated regulatory guidelines
- Rate-sensitive asset-liability maturity analysis performed to assess correlation of the loan book maturity profiles to interest rate fluctuations
- Interest spreads set through categorising entire gamut of assets and liabilities into several time-periods synchronising them with contracted maturities or anticipated re-pricing dates; the difference between assets and liabilities maturity or it being repriced at any time period indicates the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities.

Liquidity Risk

Liquidity is the ability to meet liabilities as they become due. Liquidity can have significant impact on profitability in any adverse situation. Management of assets and liabilities largely depend upon the interest rates, liquidity and respective risk profiles. Measuring and managing interest risks and liquidity risks play pivotal role in maintain capital adequacy. Liquidity is tracked through maturity or cash flow mismatches.

The Company has adopted extensive range of liquidity risk management policies, procedures and controls, as given under:

- Liquidity management performed in sync with the Asset Liability Management ('ALM') policies and operating procedures
- The Asset Liability Committee (ALCO) comprising the Board of Directors of the Company to review the different liquidity positions (Structural and dynamic) of the Company regularly through different scenario analysis
- Creation of maturity ladder and use of cumulative surplus/deficit of funds calculation technique on any specific maturity date standardise determination of liquidity risk
- Contingency plans put in place for liquidity management in case of contingencies
- Proactive monitoring of the capital adequacy and asset exposure levels to assess potential funding requirements
- Varied source funding including borrowings from banks, financial institutions, capital markets and public (fixed) deposits to facilitate flexibility in meeting funding requirements
- Systematic Cash Management and asset-liability management training programs to solidify Company's financial position in the long run.

Cyber Security Risk

Cyber security risks have increasingly become eminent in today's remote working environment during Covid-19 pandemic and the management at SCUF is dedicated to minimize any such threats that can bring in any significant adverse impact on the growth potential of the organisation. By establishment to a secure information technology network and cybersecurity framework, the Company ensures a safeguarded business environment for all its stakeholders throughout the organisation. To act as a counter measure against cyber-attacks and protect critical assets, the Company has formed a Security Operations Centre (SoC) that works on real-time 24x7 basis. The Company has adopted extensive range of cyber security risk management policies, procedures and controls, as summarised below:

- Systematic investments are made in technology, processes enhancements and on hiring cybersecurity professionals to ensure highest standards of preparedness against any cybersecurity threat
- Established security framework, policies and procedures aligned with best-in-class industry standards to protect information across all strata of the organisation
- All-inclusive security training programs and workshops to increase employee / interested parties' awareness on cyberattack incidents such as malware, phishing, ransomware, spoofing etc.
- Implementation of ISO 27001 certification for Information Security Management System framing policies and procedures on IT framework and covering all IT processes

- Email Threat Prevention (ETP) services to quarantine detected e-mail threats in advance
- Recurrent evaluation and penetration tests performed to assess vulnerabilities in the IT infrastructure and network
- Continuously scrutinised fraud protection measures for authentication of risk-based transactions
- An all-encompassing cyber security approach is in place to manage information security threats involving communication, documentation, evidence collection & closure of security events so as to provide SCUF an efficient way to respond to all cyber security threat incidents to minimize impact.

Information Technology Risk

In today's dynamic business environment, technology platforms support the entire gamut of any vibrant business functions. This has increased importance of information technology infrastructure and adaptability of any organisation to rapidly changing technological advancements and frameworks to manifold.

The Company has adopted extensive range of information technology risk management policies, procedures and controls, as summarised below:

- Systematic security drills and employee awareness programs are conducted to ensure enhanced security awareness throughout the organisation
- Security Operations Centre (SoC) secures the IT infrastructure and network architecture on 24x7 basis by assessing and monitoring any type of attacks and potential threats. It has following attributes:
  - Identifies security threats from inside as well as outside the organization leading to stricter reporting and control
  - Conducts Disaster Recovery Drills in systematic manner to achieve better Recovery Point Objective (RPO) and Recovery Time Objective (RTO)
  - Rigorous security tests and evaluations done prior to launching any application to assure zero prospective loss to the customers or the organization.
- To improve the control checkpoints, vulnerability assessment and penetration testing are regularly done through internal resources and external experts
- Presence of contingency plan ensures availability of the crucial business functions to customers even though one functional section is entirely non-functional
- A time tested and efficient Business Continuity Plan (BCP) is in place to ensure continuity of business operation on any crisis situations such as 'Covid-19' pandemic
- As per the regulatory compliance norms, privacy policy is followed to safeguard customers' personal information and usage.

In today's challenging environment amidst Covid-19 pandemic every organisation has to fight the pandemic with rigorous efforts which has brought various risk associated to it. Covid-19 pandemic has contributed to all of the above-mentioned risks in one or several ways. Management at SCUF is dedicated to manage all those risks and restrict their impact to minimal level. Through robust implementation of risk policies and framework, varied types of risks are identified and mitigated through operationalization of prudent measures, checks and controls throughout all facets of the organisation.

INTERNAL AUDIT

The Audit Committee and the Risk Management Committee encompassing members from the Board of Directors appraises performance of the Internal Audit function of the Company which helps to effectively control and adhere to the regulatory compliance guidelines laid out by the government depicting highest standards of corporate governance followed in the Company.

The Internal Control System of the Company is proportionate to its size, scale, nature and complexity of operations. The Company conducts its internal audit within the parameters of regulatory framework through execution of annual internal audit plan. The Internal audit department carries out specific assessments laid by the management under existing regulations to monitor adequacy, efficacy and adherence to the internal controls, processes and procedures. This helps in conservation of Company's assets.

The Company adopts Risk-based approach of Internal Audit (RBIA). The vital focus of this system is to focus on key risk areas of importance with main emphasis on risks that has extensive impact.

The Internal Audit department reports to the Audit Committee for Audit Planning & Reporting. The relevant audit reports are circulated to the management teams and the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Company has in place an effective internal control system to synchronize its business processes, operations, financial reporting, fraud control, and compliance with extant regulatory guidelines and compliance parameters. Strict internal control and systems are devised as a depiction of the principles of the highest standards of governance.The Company ensures that a standard and effective internal control framework operates throughout the organisation, providing assurance about safekeeping of the assets and execution of transactions as per the authorisation in compliance with the internal control policies of the Company. This confirms orderly and effective conduct of its business, including adherence to the Company's policies, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The internal financial controls with reference to the financial statements were adequate and operating effectively.

The Management periodically reviews the framework, efficacy and operating effectiveness of the Internal Financial Controls of the Company, broadly in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO").

CAUTIONARY STATEMENT

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.

Compliance Certificate by CEO / CFO

Annexure 4

To

The Board of Directors

Shriram City Union Finance Limited

Chennai

We, Y S Chakravarti, Managing Director and Chief Executive Officer and Sri Ramasubramanian Chandrasekar, Chief Financial Officer of M/s Shriram City Union Finance Limited ("Company") pursuant to Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the best of our knowledge and belief, certify that

(i) we have reviewed the Balance Sheet as at March 31, 2021 and statement of Profit and Loss for the year ending on same date, Cash Flow statement as on the same date and the notes thereto (together known as financial statements).

(ii) these financial statements do not contain any materially untrue statement or omit any material fact or they contain statements that might be misleading.

(iii) these financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(iv) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(v) we accept responsibility for establishing and maintaining internal controls for financial reporting of the Company.

(vi) we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.

(vii) there are no deficiencies in the design or operation of internal controls which are to be disclosed to the auditors and/or to the Audit and Risk Management Committee.

(viii) we have indicated to the auditors of the Company and the Audit and Risk Management Committee that there were

a) no significant changes in internal control over financial reporting during the year covered by this report;

b) no significant changes in accounting policy has been made during the year covered by this report;

c) no significant instances of fraud detected during the year except the frauds reported in Notes to Accounts.

Yalamati Srinivasa Chakravarti
Managing Director and Chief Executive Officer
DIN - 00052308

Ramasubramanian Chandrasekar
Chief Financial Officer

Place : Chennai
Date : April 30, 2021

Form No. AOC - 2

Annexure 5

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not arm's length basis

Sl. No.	Particulars	Remarks
a)	Name (s) of the related party and nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions	-
f)	Date(s) of approval by the Board	Not applicable
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not applicable

2. Details of material contracts or arrangements or transactions at arm's length basis

Sl. No.	Particulars	Remarks
a)	Name (s) of the related party and nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e)	Date(s) of approval by the Board	Not applicable
f)	Amount paid as advances, if any	-

Annexure 6

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as at March 31, 2021.

PARTICULARS			SCUF Employees Stock Option Scheme, 2006
Date of shareholder's approval			October 30, 2006
a)	Options Granted		13,55,000 equity shares of ₹ 10/- each
	Vesting requirements		Options granted shall be vested after the period of one year from the date of grant
b)	Exercise price		₹ 35/- per option
	Maximum term of options granted		Options granted can be vested after the gap of a one Year and the vested options can be exercised within a period 10 Years
Source of shares			Primary
c)	Options vested		13,55,000
d)	Options exercised		13,44,140
	Number of options outstanding at the beginning of the period		12,960
	Number of options granted during the Year		-
	Number of options forfeited / lapsed during the Year		-
	Number of options vested during the Year		2,100
	Number of options exercised during the Year		2,100
e)	Number of shares arising as a result of exercise of option		
f)	Options lapsed		-
g)	Variation of terms of options		-
h)	Money realised by exercise of options		₹ 73,500
	Number of options outstanding at the end of the Year		₹ 10,860
	Number of options exercisable at the end of the Year		-
i)	Total number of options in force		-
j)	Employee wise details of options granted to:		
	i)	Senior Management Personnel	-
	ii)	Any other employee who receives a grant of option amounting to 5% or more of option granted	-
	iii)	identified employees who were granted option equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-

Annexure 6 (Contd.)

PARTICULARS			SCUF Employees Stock Option Scheme, 2006
k)	Diluted earnings per share (EPS) pursuant to issue of Shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'		₹ 152.81
	i)	Method of calculation of employee compensation cost	Intrinsic value method
	ii)	Difference between the employee compensation cost so calculated at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	Fair Value method (Using Black Scholes Model): ₹ 30.82 crores Intrinsic Value method: ₹ 30.69 crores Difference in cost : ₹ 0.13 crores
	iii)	The impact of this difference on profits and on EPS of the Company	Fair Value method - (Using Black Scholes Model) Intrinsic Value method - Impact on Profit - Impact on Diluted EPS -
l)	Weighted average exercise price		₹ 35.00
	Weighted average fair value		₹ 227.42
m)	Fair value of options based on Black Scholes methodology		
	Assumption risk free rate		7.67%
	Expected life of options (in Years)		5
	Expected volatility (based on Monthly Volatility of the Company's stock price on the NSE)		55.36%
	Expected Dividends per share		₹ 3.00
	Closing market price of share at NSE on date of option granted		₹ 261.45

Annexure 7

G.D. Apte & Co.
Chartered Accountants

The Members,

Shriram City Union Finance Limited

This is to certify that the 'SCUF Employees Stock Options Scheme 2006' ("the 2006 ESOP scheme") and 'SCUF Employees Stock Options Scheme 2013' ("the 2013 ESOP scheme") of Shriram City Union Finance Limited (CIN – L65191TN1986PLC012840), has been implemented in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolution passed by the Company at its Extraordinary General Meeting held on October 30, 2006 and May 31, 2013 wherein the aforesaid 2006 ESOP scheme and 2013 ESOP scheme were approved by the shareholders respectively.

This Certificate is issued under Regulation 13 of the Securities and Exchange Board of India (Share based Employee benefits) Regulations, 2014.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100 515W
UDIN: 21121007AAAACD9059

Anagha M Nanivadekar
Partner
Membership Number.: 121 007
Pune, April 30, 2021

Annexure 8

DISCLOSURE UNDER RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The remuneration of Sri Ramasubramanian Chandrasekar, Chief Financial Officer ("CFO") and Sri C R Dash, Company Secretary ("CS") during Financial Year 2020-21 ("FY21") was ₹ 0.54 crores and ₹ 0.56 crores respectively. There was an decrease of 3.91% in the remuneration of Sri Ramasubramanian Chandrasekar, CFO and no increase in the remuneration of Sri C R Dash, CS during FY21.

The percentage increase in the median remuneration of employees in FY21 was 2.68% (FY20 : 6%)

The total number of employees on the rolls of the Company as on March 31, 2021 was 24,963 (March 31, 2020 : 28,699).

The average percentile increase in salaries of employees of the Company other than key managerial personnel in FY21 was 4%. Average decrease in key managerial remuneration was 9%. There were no exceptional circumstances for increase in the managerial remuneration.

INFORMATION AS REQUIRED UNDER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Employees in receipt of remuneration of not less than ₹ 1.02 crores per annum

Name of the employee	Designation	Remuneration* (₹ in crores)	Nature of employment, whether contractual or otherwise	Qualifications	Experience (in Years)	Date of commencement of employment	Age (in Years)	Last employment held before joining the Company	Relationship with Director/ Manager of the Company
NIL									

Annexure 8 (Contd.)

Top 10 Employees in terms of remuneration drawn

Sl. No.	Name of the employee	Designation	Remuneration* (₹ in crores)	Nature of employment, whether contractual or otherwise	Qualifications	Experience (in Years)	Date of commencement of employment	Age (in Years)	Last employment held before joining the Company	Relationship with Director/ Manager of the Company
1	Ramachandran Nair	President	0.87	Permanent	BA, PGDBM	27	March 12, 2010	52	Fullerton India Credit Co Limited	No
2	Siddhartha Pakrasi	President	0.86	Permanent	B.Com, PGDM	24	June 27, 2011	47	Hong Kong and Shanghai Banking Corporation	No
3	Lakshmi Narasimhan V	Executive Director*	0.74	Permanent	A.C.S, PGDBA	31	April 2, 2015	59	Magma Fincorp	No
4	Monika Kapoor	Senior Vice President	0.70	Permanent	B.Com, LLB, MBA	17	May 7, 2018	46	Capital First	No
5	Y S Chakravarti	Managing Director & Chief Executive Officer	0.64	Permanent	B.COM	29	June 17, 1991	57	Shriram Group	No
6	Parikshit Kapoor	Senior Vice President	0.63	Permanent	MBA	18	February 14, 2017	42	ICICI Bank Limited	No
7	Vijayaraghavan T	Executive Director*	0.62	Permanent	CS,CA, ICWA	42	October 6, 2006	67	MD Victory Laminations Limited	No
8	Swapneel Patil	Senior Vice President	0.58	Permanent	B.E, MMS	23	March 25, 2013	47	Fullerton India Credit Co Limited	No
9	Srinivas K	Executive Director*	0.57	Permanent	MBA	29	May 5, 1992	55	Shriram Group	No
10	Chitta Ranjan Dash	President And Company Secretary	0.56	Permanent	B.COM,CS,CA	32	April 16, 2009	57	Prithvi Information Solutions	No

* Not a member of the Board.

Annual Report on CSR Activities

Annexure 9

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. –**

   Shriram City Union Finance Limited ("Company") has formulated its Corporate Social Responsibility ("CSR") Policy in line with Section 135 of the Companies Act 2013 ("CA13"), Schedule VII to CA13 and Companies (Corporate Social Responsibility Policy) Rules 2014. The Company's CSR Projects/Activities are carried on by the Company directly or through implementing agency as approved from time to time by the CSR Committee in accordance with CSR policy of the Company.

   The CSR spend is planned in advance keeping in view the amount specified under the Companies Act 2013,CSR Policy ,scalability and other related matters .The CSR projects of the Company during the financial year 2020-21 were undertaken on education ,skill development, livelihood, art and culture. The Company is open to join hands with other implementing agencies for optimal use of resources and skill. The CSR policy of the Company continues to be displayed on the website of the Company (refer Table - 1)

2. **The Composition of the CSR Committee**

S No	Name of the Director	DIN	Type of Director	Position
i	Smt Maya S Sinha	03056226	NE, I	Chairperson
ii	Sri Debendranath Sarangi	01408349	NE, I	Member
iii	Sri Yalamati Srinivasa Chakravarti	00052308	E, NI	Member

Executive ("E"), Non Executive ("NE"), Non Independent ("NI"), Independent ("I")

3. **Average net profit of the Company for last three financial years : ₹ 1,308.66 crores**

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 26.17 crores**

5. **(a) Details of CSR spent during the financial year 2020-21 : ₹ 21.95 crores**

   (b) Total amount to be spent for the financial year : ₹ 26.17 crores

   (c) Amount unspent if any : ₹ 4.22 crores

   (d) Manner in which the amount spent during the financial year is detailed below

(Amount ₹ in crores)

Sl. No	Name of the Program (s)	Name of Project	Location	Amount Proposed to be spent	Amount Spent during the year	Date of commencement	Purpose	% of progress
1	Shriram Matriculation School, Tiruneermalai-Shriram Foundation	Education Skill Development and Livelihood	Tiruneermalai, Chennai, Tamil Nadu	0.80	0.85	Apr-19	Infrastructure, teacher training and student activities	Ongoing
2	Mission 25- Shriram Foundation		Krishna District, Andhra Pradesh	0.30		Apr-19	Infrastructure, teacher training and student activities	Ongoing
3	Two wheeler mechanic program- Pratham Education Foundation	Education Skill Development and Livelihood	Multiple locations in UP, Chattisgarh and Telengana	0.65	0.80	Apr-19	Two Wheeler Training Program, Hospitality & Health Care sectors for 1500 underprivileged youth from Tamil Nadu, Telangana & all over India.	Ongoing
4	Chennai Mathematical Institute		Tamil Nadu	4.00	4.00	Apr-19	Corpus fund	

Annual Report on CSR Activities
Annexure 9 (Contd.)

Sl. No	Name of the Program (s)	Name of Project	Location	Amount Proposed to be spent	Amount Spent during the year	Date of commencement	Purpose	% of progress
5	South India Club	Art and Culture	New Delhi	11.30	8.30	Apr-19	Support for Art and Culture	Ongoing
6	Promoting Education-Swami Vivekananda Rural Development Society	Single Teachers School	Rural Tamilnadu	1.00	2.00	Nov-19	Promoting Education, Stopping school drop outs	
7	Ramkrishna Mission Students Home	Promoting Education	Tamil Nadu	1.00	1.00	Dec-20	Promotion of education	
8	M R Educational And Social Trust	Promoting Education	Tamil Nadu	3.00	3.00	Mar-21	Promotion of education	
9	Dr V Krishnamurthy Educational Foundation	Promoting Education	Tamil Nadu	2.00	2.00	Jan-21	Promotion of education	
	Total			**24.05**	**21.95**			

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

The Company had spent ₹ 21.95 crores during the year ended March 31, 2021 (March 2020 ₹ 11.75 crores). There was a short spending to the tune of ₹ 4.22 crores during the financial year as the Company could not finish up the projects due to non-availability of the required skill and manpower with the Company.

We hereby affirm that the CSR Policy ("Policy") of the Company as approved by the Board of Directors of the Company is monitored by the CSR Committee and the CSR activities have been implemented in accordance with the Policy.

Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director

Maya S Sinha
DIN – 03056226
Chairperson – CSR Committee

Place : Chennai
Date : April 30, 2021

ANNEXURE II

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR COMMENCING ON OR AFTER APRIL 1, 2020

1. Brief outline on CSR Policy of the Company

Shriram City Union Finance Limited ("Company") formulated a policy named "Corporate Social Responsibility ("CSR") Policy in line with Section 135 of the Companies Act 2013 ("CA13"), Schedule VII to CA13 and Companies (Corporate Social Responsibility Policy) Rules 2014. The Company's CSR Projects/Activities are carried on by the Company directly or through implementing agency as approved from time to time by the CSR Committee in accordance with CSR policy of the Company.

The CSR spend is planned in advance keeping in view the amount specified under the Companies Act 2013,CSR Policy ,scalability and other related matters .The CSR projects of the Company during the financial year 2020-21 were undertaken on education ,skill development, livelihood, art and culture. The Company is open to join hands with other implementing agencies for optimal use of resources and skill. The CSR policy of the Company continues to be displayed on the website of the Company (refer Table - 1)

2. Composition of CSR Committee

S No	Name of the Director/ Designation	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i	Smt Maya S Sinha, Chairperson	NE, I	3	3
ii	Sri Debendranath Sarangi, Member	NE, I	3	3
iii	Sri Yalamati Srinivasa Chakravarti, Member	E, NI	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:- The CSR policy of the Company continues to be displayed on the website of the Company (refer Table - 1)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). There are no projects undertaken or completed after January 22, 2021, for which the impact assessment report is applicable in FY21;

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	FY 20	0.89	NIL
	TOTAL	**0.89**	**NIL**

6. **Average net profit of the Company as per section 135(5) - ₹ 1308.66 crores**

7. (a) Two percent of average net profit of the Company as per section 135(5) - ₹ 26.17 crores

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil

   (c) Amount required to be set off for the financial year, if any - ₹ 0.89 crores

   (d) Total CSR obligation for the financial year (7a+7b-7c).

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in crores)	Amount Unspent (₹ in crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
21.95	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	3.33	April 29, 2021			

Annexure II (Contd.)

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹ in crores)	Amount spent in the current financial Year (₹ in crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crores)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	South India Club	Art and Culture	No	New Delhi	New Delhi	7 years	11.30	8.30	3.00	Direct		
2.	Shriram Matriculation School, Tiruneermalai-Shriram Foundation	Education Skill Development and Livelihood	Yes	Chennai	Tiruneermalai		1.18	0.85	0.33	Direct		
3.	Mission - 25		No	Andhra Pradesh	Krishna							
	TOTAL						**12.48**	**9.15**	**3.33**			

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹ In crores).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name	CSR Registration number.
1.	Two wheeler mechanic program-Pratham Education Foundation	Education Skill Development and Livelihood	No	UP, Chattisgarh and Telengana	UP, Chattisgarh and Telengana	0.80	No	Pratham Education Foundation	
2.	Chennai Mathematical Institute	Education Skill Development and Livelihood	Yes	Tamil Nadu	Chennai	4.00	Direct		
3.	Single Teachers School - Swami Vivekananda Rural Development Society	Promoting Education	Yes	Tamil Nadu	Chennai	2.00	Direct		
4.	Ramkrishna Mission Students Home	Promoting Education	Yes	Tamil Nadu	Chennai	1.00	Direct		
5.	M R Educational And Social Trust	Promoting Education	Yes	Tamil Nadu	Chennai	3.00	Direct		
6.	Dr V Krishnamurthy Educational Foundation	Promoting Education	Yes	Tamil Nadu	Chennai	2.00	Direct		

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable - Nil

(f) Total amount spent for the Financial Year – ₹ 21.95 crores (8b+8c+8d+8e)

(g) Excess amount for set off, if any - Nil

Annexure II (Contd.)

Sl. No.	Particular	Amount (₹ in crores)
(i)	Two percent of average net profit of the Company as per section 135(5)	26.17
(ii)	Total amount spent for the Financial Year	21.95
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NOT APPLICABLE							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). - Nil

(b) Amount of CSR spent for creation or acquisition of capital asset. - Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - Nil

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).

The Company had spent ₹ 21.95 crores during the year ended March 31, 2021 (March 2020 ₹ 11.75 crores). There was a short spending to the tune of ₹ 4.22 crores during the financial year as the Company could not finish up the projects due to non-availability of the required skill and manpower with the company.

Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director

Maya S Sinha
DIN – 03056226
Chairperson – CSR Committee

Place : Chennai
Date : April 30, 2021

Annexure 10

DECLARATION ON CERTIFICATE OF INDEPENDENCE FROM INDEPENDENT DIRECTORS

I hereby confirm that the Company has received from each of the independent directors namely Sri Debendranath Sarangi, Sri Diwakar B Gandhi, Smt Maya S Sinha, Sri Pranab Prakash Pattanayak and Sri Venkataraman Murali certificate stating his/her independence as required under section 149 (6) of the Companies Act, 2013.

Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director and CEO

Place : Chennai
Date : April 30, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
SHRIRAM CITY UNION FINANCE LIMITED
123, ANGAPPA NAICKEN STREET,
CHENNAI – 600001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shriram City Union Finance Limited having CIN L65191TN1986PLC012840 and having registered office at 123, Angappa Naicken Street, Chennai – 600001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment at Current Designation in the Company
1.	Debendranath Sarangi	01408349	July 28, 2020
2.	Srinivasa Chakravarthy Yalamati	00052308	July 29, 2019
3.	Coimbatore Ramarao Muralidharan	02443277	July 29, 2019
4.	Diwakar Bhagwati Gandhi	00298276	July 29, 2019
5.	Duruvasan Ramachandra	00223052	July 29, 2019
6.	Ignatius Michael Viljoen	08452443	July 31, 2020
7.	Maya Swaminathan Sinha	03056226	July 28, 2020
8.	Pranab Prakash Pattanayak	00506007	July 29, 2019
9.	Shashank Singh	02826978	July 31, 2020
10.	Venkataraman Murali	00730218	July 29, 2019

Annexure 10 (Contd.)

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SPNP & Associates
Nithya Pasupathy
Certificate of Practice No – 22562
Membership No. - F10601
UDIN : F010601C000213837

Place : Chennai
Date : April 30, 2021

Annexure 11

DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and designated senior management employees of the Company affirmation that they have complied with "Code of Conduct for Board Members and Senior Management" ("Code") of the Company during the year ended March 31, 2021.

Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director and CEO

Place : Chennai
Date : April 30, 2021

Annexure 12

POLICY ON APPOINTMENT, REMUNERATION AND DIVERSITY OF BOARD

1. Background :

Companies Act 2013 ("CA13") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") require the Nomination and Remuneration Committee of a company to recommend to the Board and the Board to approve a Policy on Appointment, Remuneration and Diversity of Board ("Policy"). Regulations of Reserve Bank of India ("RBI") also requires NBFCs to have a policy on Fit and Proper criteria for appointment of Directors. Accordingly, the Board of Directors ("Board") of M/s Shriram City Union Finance Limited ('Company") has approved this policy considering the recommendation of its Nomination and Remuneration Committee ("NRC").

2. Applicability :

This Policy covers the appointment, remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel of the Company and the performance appraisal of the Directors.

3. Definition :

All terms used in the Policy shall have the same meaning as ascribed to them under CA13, SEBI (LODR).

4. Objectives :

The objective of this policy is to stipulate criteria for

- Appointment, re-appointment, continuance, discontinuance and extension of term of directors KMPs and senior management
- Increase diversity at Board level and to make maximum use of the skills and industry experience of the directors.
- Retain, Promote, motivate and sustain talent in the Company
- Remuneration payable to the Directors, KMP and Senior Management personnel.
- Ensure the remuneration is reasonable, sufficient to attract and retain talents and is proportional to the effort, performance, dedication and achievement relating to the Company's operations of the concerned individual.
- Strike the balance between fixed component and variable incentive of remuneration.

5. Criteria for Appointment :

The appointment shall be based on the following criteria.

- Qualification, technical expertise, track record, and relevant experience for the concerned position
- Age, number of years of service, specialised expertise and period of employment or association with the Company.
- Special achievements and operational efficiency which contributed to growth in business in the relevant functional area.
- Constructive and active participation in the affairs of the Company.
- Exercising the responsibilities in a bona fide manner in the interest of the Company
- Sufficient devotion of time to the assigned tasks.
- Diversity of the Board keeping in view the skills, qualification, experience in varied fields of finance, banking, administrative etc. of directors in different industry and other related matters.
- Having a valid Director Identification Number in case of a director and having name in the data base of the Indian Institute of Corporate Affairs in case of Independent Directors throughout the tenure in the Company.

Criteria for Remuneration:

The remuneration shall be sufficient based on the criteria of appointment mentioned above and shall be subjected to the limits mentioned below.

Annexure 12 (Contd.)

POLICY ON APPOINTMENT, REMUNERATION AND DIVERSITY OF BOARD

Category	Remuneration	Remarks
Whole-time Director & Managing Director	Basic Pay, allowances, Perquisites, Retirement benefits, Employee Stock Option Scheme, and reimbursement of expenses incurred in performance of office duties	As approved by the Board/ share holders,subject to the limits prescribed under the CA13.
Director (other than Independent Director)	Reimbursement of reasonable expenses for attending the meetings of Board and Committees, where such director is a member as decided by the Board from time to time.	Sitting Fees are subject to the applicable limits (not exceeding 1 lac per meeting) prescribed under CA13.
Independent Directors	Sitting Fees of ₹ 50,000/- per meeting of the Board, per meeting of each Committee and Reimbursement of reasonable expenses for attending such meetings as decided by the Board from time to time	
Senior Management Personnel/ KMP	Basic Pay, allowances, Perquisites, retirement benefits, Employee Stock Option Scheme reimbursement of expenses incurred in performance of office duties.	As decided by the Managing Director of the Company

The Managing Director shall decide about the remuneration of the executives based on the criteria set, subject to limit fixed under any applicable law at the time of appointment and shall decide about reasonable annual increase keeping in view the prevailing market condition, statutory requirements objectives/criteria and any other factor.

The following matters shall be brought to the attention of the NRC for evaluation and recommendation.

a. Remuneration to any person in excess of Rupees two crore per annum

b. Appointment / remuneration of Directors, KMPs, Senior management personnel.

The maximum remuneration payable to all the Directors/managerial personnel shall be capped as provided under Section 197,198, Schedule V of the Act.

On appointment, the Company shall issue appointment letter.

Process of Evaluation:

The evaluation of the Board, Committee, Director and Chair Person shall be carried out at least once a year. The evaluation of performance of each independent director shall be done by all the directors except the concerned independent director. The evaluation of performance of non-independent directors shall be carried out by the Independent Directors. Independent Directors shall also evaluate the Board as a whole, the Chairperson of the Company, quantity and timeliness of flow of information. The evaluation shall be carried out through an evaluation sheet based on different criteria, i.e. qualification, experience, age, participation, attendance, knowledge, quality of discussion, beneficial contribution etc. The evaluation and the results thereof shall be confidential.

Performance Evaluation of the Board/Committee:

Each director shall be provided with rating sheet on the pre set criteria. The rating sheet shall be filled in by each director with scores awarded by him/her and shall be handed over to the Company Secretary. The total score given by all the directors participating in the evaluation shall be totalled up and averaged out by dividing the total score with number of participating directors. Based on the average score, the Board may decide on the necessary improvemental activities to be under taken.

Performance Evaluation of the Directors:

Each director shall be provided with rating sheet on the pre set criteria. The rating sheet shall be filled in by each director for all the directors except himself/herself with necessary details with scores awarded by him/her. The filled in rating sheet shall be handed over to the Company Secretary .The total score given by all the directors participating in the evaluation shall be totalled up and averaged out by diving the total with number of participating directors.

Annexure 12 (Contd.)

Outcome of the Evaluation

The outcome of the evaluation shall be placed before the Board, NRC and before the meeting of Independent Directors.The NRC, Meeting of Independent Directors based on their observation of the awarded scores placed before them, can suggest to the Board for action,if any. Based on the recommendation of relevant Committee and based on its own observation, Board can decide about continuance, discontinuance and extension.

Effect and Revision:

This policy shall come into effect from April 1, 2021 and shall remain in force till amended by the Board with recommendation of the Committee. Any regulatory changes affecting this Policy shall prevail over this Policy.

DIVIDEND DISTRIBUTION POLICY

1. Preamble :

Dividend is the payment made by a company to its shareholders, usually in the form of distribution of its profits. The profits earned by a company can either be retained in business and/or be used for acquisitions, expansion, diversification, business growth or it can be distributed to the shareholders. A company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to balance between these. This Dividend Distribution Policy ("Policy") will guide dividend declaration and its pay-out by the Shriram City Union Finance Limited ("Company") in accordance with the provisions of Companies Act 2013 ("CA13"), Rules thereunder ("Rule") Secretarial Standard ("SS"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and any other applicable rules and regulations. The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all shareholders of the Company. The Board of Directors of the Company ("Board") will refer to the policy for declaring/ recommending dividends. This policy is framed as required under SEBI Circular No. SEBI/ LAD-NRO/GN/2016-17/008 dated July 8, 2016.

2. Applicability and Review :

It shall come into force with effect from April 1, 2021. Any change in applicable law, regulation shall prevail over this Policy. This policy shall be reviewed by the Board periodically for any changes or amendments. The Company has issued only Equity Shares and no Preference shares issued by the Company are outstanding.

3. Definitions :

i. Company : Shriram City Union Finance Limited

ii. Board : Board of Directors of the Company

iii. Current Financial Year : The financial year for which the dividend is declared/ recommended

iv. Dividend : Distribution of any sums to Members out of Profits of the Company and included both interim and final dividend

v. Dividend Pay Out Ratio: The percentage of dividend paid/recommended bears to Profit determined for Dividend purposes.

vi. Interim Dividend: Dividend declared by the Board

vii. Final Dividend: Dividend recommended by the Board and declared by the Members at an Annual General Meeting of the Company.

4. Category of Dividends :

The CA13 provides for two forms of Dividend - Final and Interim.

(i) Interim Dividend

The Board shall have the absolute power to declare interim dividend during a financial year, as and when it considers fit .The Board may endeavor to declare an interim dividend one or more times in a financial year after finalisation of quarterly/half yearly/yearly financial accounts based on the profits of the Company.

(ii) Final Dividend

The Final dividend shall be recommended to the shareholders/members of the Company by the Board after the annual financial statements are approved by the Board. The Board shall recommend the payment of Final Dividend to the shareholders/members for their approval as an ordinary business item of the Annual General Meeting. If the Board declares more than one interim dividend in a financial year, the Board may recommend to the shareholder to treat the last interim dividend as a final Dividend.

5. Factors to be considered for declaring Dividend :

The payment/recommendation of dividend is to determine the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. The Board considers a stable dividend to constitute an important element of the Company's investment attractiveness and shareholder return. As a leading Non banking finance Company operating in rapidly developing, yet volatile, markets, its primary need is to maintain sufficient resources and financial flexibility to meet financial and operational requirements. The Retained earnings strengthen the Company's net owned funds. It will further help in maintaining Capital Adequacy Ratio (CAR) for the Company. The Board from time to time will decide utilisation of the retained earnings for organic/inorganic growth, market competition, creating long term shareholder value etc. The Board will ensure judicious balancing of these factors in the interest of the Company and its stakeholders. The decision regarding recommendation/declaration of dividend will depend upon various external and internal factors including the following:

(i) External Factors:-

State of Economy - in case of uncertain or recessionary economic and business conditions, the Board will endeavour to retain larger part of profits to build up reserves to absorb future shocks.

Capital Markets - when the markets are favourable, dividend pay-out can be liberal. However, in case of unfavourable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Statutory and Contractual Restrictions- The Board needs to keep in mind the restrictions imposed under the Act and any other laws, the regulatory developments with regard to declaration of dividend, the Company's contractual obligations under the loan agreements / debenture trust deed and other agreements, documents, writings limiting / putting restrictions on dividend pay-out.

(ii) Internal Factors:- In addition to the matters mentioned in CA13, regulations and this Policy, the following factors shall be considered.

Profitability, cash flow, cost of funds, business growth/expansion, diversification, additional investments, acquisition of business, modernisation and any other matter as may be decided by the Board from time to time.

The Shareholders of the Company may or may not expect dividend for a financial year(s) in the circumstances of (a) challenging/sluggish market conditions, (b) tough liquidity position, (c) losses/no profits/inadequate profits.

6. Quantum of Dividend :

Dividend shall be recommended/declared by the Board out of profits of the Current Financial Year of the Company. It shall not be recommended/paid out of Free Reserves or Profits of earlier financial years or both. No dividend shall be declared/ paid if there is default in redemption of debentures, payment of interest on debentures, creation of debenture redemption reserve, creation of capital redemption reserve, payment of dividend declared. The following matters shall be considered for determining the quantum of dividend. Company shall declare/recommend and disclose the Dividend on per share basis only

i) Current financial year's profit as determined for the purpose of Dividend in terms of applicable provisions of CA13.

ii) Transfer to reserves such amount as may be prescribed under the CA13, RBI regulation and other applicable regulation

The determination of dividend pay-out shall depend upon regulatory, internal and external factors .The Board may maintain a Dividend pay-out ratio (including the applicable dividend distribution tax) in the range of 20 – 25% or such other range as may be decided by the Board from time to time of profits after tax (PAT).

Annexure 12 (Contd.)

7. Process Payment of Dividend :

- The Company will give prior intimation of 2 working days to Stock Exchanges (excluding the date of intimation and the date of the Board meeting) of date of Board Meeting in which the declaration / recommendation of dividend will be considered.
- The Company will inform about the decision taken by Board regarding dividend to Stock Exchange within 30 minutes of the closure of the Board Meeting.
- The Company will fix Record date for the purpose of determination for list of shareholders eligible to receive dividend. Persons appearing as members in the register of members or benpose of the Company shall be entitled for Dividend.
- The intimation for fixing Record date shall be given to exchange at least seven working days in advance (excluding the date of intimation and the record date).
- Payment of Dividend shall be made through electronic mode or cheques or payable at par warrants. If dividend is payable by at par warrants or cheques they shall be sent by speed post, if it exceeds one thousand five hundred rupees. The Company shall be discharged of its responsibility of payment of Dividend on the amount debited to the Dividend Banking account of the Company with such dividend paying Bank.
- The dividend declared shall be deposited in a scheduled bank in a separate account within five days form the date of declaration of such dividend.

8. Unclaimed/Unpaid Dividend :

- Dividend declared by a Company remaining unpaid or unclaimed within 30 days from the date of declaration of Dividend, the Company shall within 7 days from the date of expiry of the said period of thirty days to a special account to be opened by the Company in any Scheduled bank to be called the Unpaid Dividend Account.
- Any money transferred to the Unpaid Dividend Account of a Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with Interest accrued, if any, thereon to the Fund established by the Central Government called the Investor Education and Protection Fund ("IEPF") and investors can claim refund from IEPF and not from Company.

Business Responsibility Report

Annexure 13

	BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED ON MARCH 31, 2021	
	SECTION A : GENERAL INFORMATION ABOUT THE COMPANY	
1	Corporate Identity Number (CIN) of the Company	L65191TN1986PLC012840
2	Name of the Company	Shriram City Union Finance Limited
3	Registered address	123, Angappa Naicken Street, Chennai - 600 001
4	Website	www.shriramcity.in
5	E-mail id	sect@shriramcity.in
6	Financial Year reported	2020-2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code-64990
8	List three key products/services that the Company manufactures/ provides (as on March 31, 2021)	Please refer to page 4 & 5 for product details under heading Persistence & progress through all-encompassing product contributions
9	Total number of locations where business activity is undertaken by the Company	
a)	Number of International Locations (Provide details of major 5)	Nil
b)	Number of National Locations	926
10	Markets served by the Company - Local /State/National/ International	National
	SECTION B : FINANCIAL DETAILS OF THE COMPANY	
1	Paid up Capital (INR in lacs) (Consolidated)	6,600.50
2	Total Turnover (INR in lacs) (Consolidated)	6,16,786.62
3	Total profit after taxes (INR in lacs) (Consolidated)	1,07,771.53
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	2.11%
5	List of activities in which expenditure in 4 above has been incurred	Education, Health care, Welfare and Culture and skill development
	SECTION C : OTHER DETAILS	
1	Does the Company have any Subsidiary Company / Companies	Yes. M/s Shriram Housing Finance Limited
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	The Subsidiary does not participate in the BR initiatives of the Company
3	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? (Less than 30%, 30%-60%, More than 60%)	No other entity participates in the BR initiatives of the Company
	SECTION D : BR INFORMATION	
1	Details of Director/Directors responsible for BR	
a)	Details of the Director/Directors responsible for implementation of the BR policy/policies	Sri Yalamati Srinivasa Chakravarti, Managing Director, DIN-00052308, Telephone No. +91 44 4392 5300, email id - md@shriramcity.com
b)	Details of BR Head	

Business Responsibility Report
Annexure 13 (Contd.)

2. Principle-wise (as per NVGs) compliance with BR Policy(ies)

Sl	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	N	Y	N	N	Y	N	N	N
3	Does the policy conform to any national/ international standards? If yes, specify (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board ? If yes, has it been signed by MD/owner/CEO/appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board /Director official to oversee implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online	Refer to the Note below								
7	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency	Y	Y	Y	Y	Y	Y	Y	Y	Y

Yes ("Y") ,No ("N")

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2 Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3 Business should promote the wellbeing of all employees
P4 Business should respect the interest of and be responsive towards all stake holders, especially those who are disadvantaged, vulnerable and marginalised
P5 Business should respect and promote human rights
P6 Business should respect, protect and make efforts to restore the environment
P7 Business,when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8 Business should support inclusive growth and equitable development
P9 Business should engage with and provide value to their customers and consumers in a responsible manner

If answer to the question at serial number 1 against any principle, is 'No', please explain why : (Tick up to 2 options)

Answers to the question at 1 in the above table for all the Principles is Yes. So, explanation is not required.

Sl No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	**The Company has not understood the Principles**									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 year									
6	Any other reason (please specify)									

Notes for Sl no 3 to the above table : The policies are formulated based on applicable regulations/general practices and therefore the polices conform to national standards

Note for Sl no 6 to the above table: The web link for the policies of the Company are as follows https:// www.shriramcity.in/Investors----->Company Information---→Policies. The remaining policies are not displayed on the web site as they are internal to the Company

3. Governance related to BR

The Business Responsibility Policy constitute different policies of the Company. Those policies were implemented and the compliance of such policies were discussed in the meeting of the Board of Directors of the Company each quarter during FY21. This report is displayed on the web site as part of the Annual Report

		SECTION E : PRINCIPLE - WISE PERFORMANCE	
1	P1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group / Joint Ventures / suppliers / Contractors / NGOs / Others?	Yes. It extends to Company only
2		How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details there of in about 50 words or so.	Please refer to notes to accounts
1	P2	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities	The Company is a NBFC. This is not applicable
2		For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)	Not Applicable
a		Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain	Not Applicable
b		Reduction during usage by customers (energy, water) has been achieved since the previous year	Not Applicable
3	P2	Does the Company have procedures in place for sustainable sourcing (including transportation)	Not Applicable
a		If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Not Applicable
4		Has the Company taken any steps to procure goods and services from local & Small producers, including communities surrounding their place of work	The Company is a NBFC and procures goods locally. The Company prefers employing from the same locality
		If yes, what steps have been taken to improve their capacity and capability of local and small vendors	
5		Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	No. Not Applicable.

Business Responsibility Report
Annexure 13 (Contd.)

		SECTION E : PRINCIPLE - WISE PERFORMANCE	
1	P3	Please indicate the Total number of employees	24,963
2		Please indicate the Total number of employees hired on temporary/ contractual/casual basis	349 as on March'21 Consultants on contract, Temporary & Casual –. Nil
3		Please indicate the Number of permanent women employees	3096
4		Please indicate the Number of permanent employees with disabilities	35
5		Do you have an employee associated that is recognised by management	No
6	P3	What percentage of your permanent employees is members of this recognised employee association	Not applicable
7		Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on end of the financial year	Nil
8		What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees,(b) Permanent Women Employees, (c) Casual/Temporary/Contractual Employees, (d) Employees with disabilities	All New Joinees and , (a) Permanent Employees - 52% of existing employees. (b) Permanent Women Employees – 60% of existing employees. (c) Casual/ Temporary/ Contractual Employees - Nil Employees with disabilities - 50% of existing Employees.
1	P4	Has the Company mapped its internal and external stakeholders	Yes
2		Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders	Yes
3		Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. Please refer to Note below.
1	P5	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs / Others	Yes. Only to Company
2		How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management	Please refer to the notes to accounts
1	P6	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others	Company
2		Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc. If yes, please give hyperlink for webpage etc.	Yes
3		Does the Company identify and assess potential environment risks	No
4		Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed	No
5		Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. If yes, please hyperlink for web page etc.	No
6		Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported	Not Applicable
7		Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil

		SECTION E : PRINCIPLE - WISE PERFORMANCE	
1	P7	Is your Company a member of any trade and chamber or association ? If yes, Name only those major ones that your business deals with	Yes. M/s South India Hire Purchase Association, M/s Madras Chamber of Commerce and Industry
2		Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. Governance and Administration
1	P8	Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. Refer Note below
2		Are the programmes/projects undertaken through in-house team/own foundation /external NGO/government structures / any other organisation?	Programmes/Projects are undertaken by the Company, in house, external NGOs and combination of these.
3		Have you done any impact assessment of your initiative	Yes
4		What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken	Please refer "ANNUAL REPORT ON CSR"
5		Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	Steps have been taken for community development through our lending activities and by our CSR activities
1	P9	What percentage of customer complaints / consumer cases are pending as on the end of financial year.	Please refer to the notes to accounts
2		Does the Company display product information on the product label, over and above what is mandated as per local laws	Not Applicable
3		Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti -competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4		Did your Company carry out any consumer survey/ consumer satisfaction trends?	No

Notes

P4.3: A significant number of our borrowers belong to low income group and persons not having access to formal line of credit. This is our special initiative to identify such borrowers and meet their credit requirement. We also meet the education and welfare need of marginalised persons through our corporate social responsibility activity.

P8.1: The Company is driven by one of it's objective of financial inclusiveness, in which the financial needs of persons not having access to formal banking system are provided with finance. This in turn contributes to inclusive growth and equitable development

SECTION E

PRINCIPLE -WISE PERFORMANCE

Business Responsibility ("BR") of the Company takes into consideration the principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business ("NVG"). To enable it further, the Company has got Policies, Framework, Codes, Management Systems and Monitoring tools. The BR matters are monitored by the respective functional heads of the Company

Business Responsibility Report
Annexure 13 (Contd.)

Principle 1: Businesses should conduct and govern themselves with Ethics, transparency and accountability

The Company is governed with ethics, transparency, accountability and in compliance with applicable laws. Corporate Governance of the Company reflects ethics, transparency and accountability The Code of Conduct for Board Members and Senior Management ("CCBS") governs the conduct of Directors and Senior Management personnel and they confirm adherence to the CCBS annually. CCBS is reviewed and upgraded regularly. The Company regularly communicates in different modes with it's with members, security holders, other agencies and public at large. The Whistle Blower Policy of the Company is aimed at bringing out unethical conducts and thereby making transactions ethical and transparent. The Company conducts familiarisation programme for Independent Directors, which together with fair disclosure make activities transparent. The roles of Chairman and CEO are separately held by different individuals and the Chairman is an Independent Director ,which bring in transparency and ethics.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company is engaged in the business of financing and provides loans to its borrowers and accepts deposits from public. The products and services provided by the Company, not being physical in nature are safe and sustainable. The Company as a whole works towards reducing our environmental foot prints.

Principle 3: Businesses should promote wellbeing of employees

The Company is an equal opportunity provider to all employees starting from their recruitment irrespective of their caste, creed, gender, race, religion, language, disability or sexual orientation. Our employees belong to all parts of the country and are selected based on individual merit without any discrimination or preference. We encourage the capable employees reaching senior positions and be a part of Company's decision making process. Employee welfare measures on counseling on stress free living, medical and eye checkup, yoga etc. were conducted during the year. We maintain cordial relationship with our employees. We train our employees on upgrading functional and soft skills. In order to ensure healthy working conditions and prevent sexual harassment of women employees, we have constituted Internal Complaint Redressal Committee at various workplaces with a Policy on Prevention of Sexual Harassment at Workplace for Women in force. Employee continuing policies and compliance with regulation have promoted wellbeing of employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

The Company respects the interests of stake holders .The grievances of share/security/deposit holders, borrowers, customers, regulators, government agencies, lenders others ,public and society at large are responded to within stipulated time In such response the interest of such stake holders and the Company are considered. Committee of the Board which meets quarterly overseas this. Our policy is to treat all customers in fair and transparent manner. The loan recovery and collection operation are in-house, which ensures relationship based recovery procedures well-suited to our customers. The Company pays dividend, interest, redemption value and other dues on their respective due dates subject to the requirement of process. The award of credit rating, which indicates high consider these. The Company's CSR programmes are focused on education, skill development for disadvantaged sections of the society.

Principle 5: Businesses should respect and promote human rights

The Company employs without discrimination and pays fair wages to employees. The employees are given equal opportunity to suggest for betterment. The Company has implemented policy on Prevention of Sexual Harassment of women Employees are treated equally with dignity. We comply and adhere to all the human rights laws and guidelines.

Principle 6: Business should respect, protect and make efforts to restore the environment

The Company has made many of its processes automated making it less paper based information. We appeal to our shareholders, security holders, NCD/FD holders, borrowers for dealing with us electronically (demat, email, direct credit to bank a/c etc), thereby reducing use of paper . We continue to create awareness about environment protection among employees & customers. The Company adheres to all pollution control measures. We use electronic methods of communication within and outside our offices and avoid use of paper as far as possible.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company is a member of and actively participates in organisations representing NBFC industry, through which different matters of NBFC industry are represented and influenced. Additionally, the Company also represents business interest of NBFC industry to regulatory authorities in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development

We meet the financial need of persons of areas generally in unbanked/less banked areas with many of our branches at semi urban and rural areas. We also mobilise deposits from these areas. These two promote the 'financial inclusion' which is the focus point of all welfare initiatives of the government. Our CSR activities contribute the development and growth of persons in semi urban and rural areas..

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Our customers have derived value by being associated with us in availing finance and keeping money deposited with us. When availing finances have helped in achieving advancement, progress, growth in their business, the deposits have helped them with reasonable return to carry out their objectives.. We engage with our customers to understand their need in order to offer a suitable product to them on timely basis. The redressal of customer grievances within reasonable time helps us to serve our customers in responsible manner. Our other services like insurance, settlement of insurance claims, support for housing loans have helped us to value to our services to customers.

Form No.MR-3 SECRETARIAL AUDIT REPORT

Annexure 14

FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Shriram City Union Finance Limited

123, AngappaNaicken Street,

Chennai - 600001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shriram City Union Finance Limited,Corporate Identification Number L65191TN1986PLC012840 ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the following provisions as amended from time to time:

1) The Companies Act,2013 (the Act) and the rules made there under;
2) The Securities Contracts(Regulation) Act, 1956('SCRA') and the rules made there under;
3) The Depositories and Participants Regulations, 2018 and Bye-laws framed thereunder;
4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
5) The following Regulations and Guidelines as amended from time to time prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-
    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amended from time to time;
    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    g) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.
6) Reserve Bank of India Act, 1934;
7) Master Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 and circulars of Reserve Bank of India thereon;
8) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016;
9) Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
10) Non-Banking Financial Companies– Corporate Governance (Reserve Bank) Directions, 2015.

Form No.MR-3 SECRETARIAL AUDIT REPORT
Annexure 14 (Contd.)

I have also examined compliance with the applicableclauses of the following:

(i) Secretarial Standards issued by The Institute ofCompany Secretaries of India.

(ii) The Equity Listing Agreements entered into bythe Company with BSE Limited and NationalStock Exchange of India Limited;

(iii) The Debt Listing Agreements entered into bythe Company with BSE Limited and NationalStock Exchange of India Limited;

During the period under review the Company has compliedwith the provisions of the Act, Rules, Regulations,Guidelines, Standards, etc. mentioned above except that:

1. The Company filed the disclosures of related party transactions on a consolidated basis with a delay of 6 dayswhich was to be filed within 30 days from the date of publication of its standalone and consolidated financial results for half year ended September 30, 2020. The Company received notice from M/s BSE Ltd and M/s National Stock Exchange of India Limited and the Company has represented to both the stock exchanges in response to the said notice. The Company is yet to receive further communication in this regard.
2. The Company paid a penalty of ₹ 5,00,000/- (Rupees Five lacs only) to the Reserve Bank of India (RBI) in response to the Order issued by RBI dated September 23, 2020 for non-compliance with directions issued by the RBI contained in "Non-Banking Financial Company – Systematically important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" and "Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016" which was observed with respect to the financial position of the Company as on March 31, 2018.
3. The Company paid a fine of ₹ 4,50,000/- (Rupees Four lacs Fifty Thousand only) to Financial Intelligence Unit - India (FIU-IND), Ministry of Finance, Government of India in response to the Order No. 11/DIR/ -IND/2020 dated December 4, 2020 for non-compliance under Section 12 and 13 of the Prevention of Money Laundering Act, 2002.

I further report that-

The Board of Directors of the Company is dulyconstituted with proper balance of Executive Directors,Non-Executive Directors and Independent Directors. Thechanges in the composition of the Board of Directors thattook place during the period under review were carriedout in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agendawere sent at least seven days in advance, and a systemexists for seeking and obtaining further information and clarifications on the agenda items before the meeting andfor meaningful participation at the meeting.

All decisions were carried out with majority approval ofthe Board and there was no instance of dissent voting byany member during the period under review.

I have examined the systems and processes establishedby the Company to ensure the compliance with generallaws including Labour Laws, Employees Provident FundsAct, Employees State Insurance Act & other State Laws,considering and relying upon representations made by theCompany and its Officers for systems and mechanismsformed by the Company for compliance under these lawsand other applicable sector specific Acts, Laws, Rulesand Regulations applicable to the Company and itsobservance by them.

I further report that there are adequate systems andprocesses in the Company commensurate with the sizeand operations of the company to monitor and ensurecompliance with applicable laws, rules, regulations andguidelines.

I further report that during the audit period, there were no specific events / actions having major bearing on theCompany's affairs in pursuance of the above referredlaws, rules, regulations, guidelines, etc.

For M/s. P.Sriram & Associates,

P. Sriram
Proprietor
Certificate of Practice No - 3310
Membership No - F4862
UDIN-F004862C000213851
Peer Review No- S2011TN155200

Place: Chennai
Date: April 30, 2021

To

The Members,

Shriram City Union Finance Limited

My report of event date is to be read along with thissupplementary testimony.

1. Maintenance of secretarial record is the responsibilityof the management of the Company. My responsibility is to express an opinion on these secretarial recordsbased on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assuranceabout the correctness of the contents of theSecretarial records. The verification was done ontest basis to ensure that correct facts are reflected in secretarial records. I believe that the processesand practices, the company had followed provide are reasonable basis for our opinion.
3. I have not verified the correctness andappropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Managementrepresentation about the compliance of laws, rulesand regulations and happening of events etc.
5. The compliance of the provisions of Corporate andother applicable laws, rules, regulations, standards isthe responsibility of management. My examination waslimited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assuranceas to the future viability of the company nor of theefficiency or effectiveness with which the management has conducted the affairs of the company.

For M/s. P.Sriram & Associates,

P. Sriram
Proprietor
Certificate of Practice No - 3310
Membership No - F4862
UDIN-F004862C000213851
Peer Review No- S2011TN155200

Place: Chennai
Date: April 30, 2021

TABLE – 1

TABLE OF WEB LINK FOR POLICIES/OTHERS MATTERS APPEARING IN DIRECTORS REPORT OF THE COMPANY

S. No	Name of the Policies	Web Link
1.	Dividend Distribution Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Dividend_Distribution_Policy.zip
2.	Related Party Transaction Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/SCUF_Related_Party_Transaction__RPT__Policy.zip
3.	Whistle Blower and Vigil Mechanism Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/SCUF_Whistle_Blower_and_Vigil_Mechanism_Policy.zip
4.	Policy on Appointment Remuneration and Diversity of Board	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Policy_on_Appointment_Remuneration_and_Diverstiy_of_Board.zip
5.	Terms and conditions of appointment of Independent Director	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Terms_and_conditions_of_appointment_of_Independent_Directors.zip
6.	Familiarisation Programme for Independent Directors	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Familiarisation_Programme_for_Independent_Directors.zip
7.	Code of Conduct for Board Members and Senior Management	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Code_of_Conduct_for_Board_Members_and_Senior_Management.zip
8.	Policy on Material Subsidiary (ies) and Events	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Policy_on_Material_Subsidiary_ies__and_Events.zip
9.	Policy on Preservation and Archival of Documents	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/SCUF_Policy_on_Preservation_and_Archival_Documents.zip
10.	Code for Fair Disclosure and Conduct	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/CODE_FOR_FAIR_DISCLOSURE_AND_CONDUCT.zip
11.	Corporate Social Responsibility Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Corporate_Social_Responsibility_Policy.zip
12.	Annual Return	https://www.nseprimeir.com/ir_download/PPN_AnnualReports/MGT_7FY20-21.pdf
13.	Unclaimed Deposits/ Debentures/ Sub Debt	https://www.nseprimeir.com/pages_new/Unclaimed_FD_Debenture.aspx?value=7UgP1IltRM3M600MSHCcMw==
14.	Unclaimed/ Unpaid Dividend	https://www.nseprimeir.com/z_SHRIRAMCIT/unclaimed_dividend.aspx?value=7UgP1IltRM3M600MSHCcMw==
15.	Standalone and Consolidated Financial Statements	https://www.nseprimeir.com/ir_download/PPN_AnnualReports/SCUF_Annual_Reports_2020-21.zip
16.	Financial Results of the Company	https://www.nseprimeir.com/pages_new/FinResultSummary.aspx?value=7UgP1IltRM3M600MSHCcMw==
17.	Annual Report of the Company	https://www.nseprimeir.com/ir_download/PPN_AnnualReports/SCUF_Annual_Reports_2020-21.zip
18.	Investors Presentation	https://www.nseprimeir.com/z_SHRIRAMCIT/investor_presentation.aspx
19.	Earning call transcripts	https://www.nseprimeir.com/z_SHRIRAMCIT/earning_call.aspx
	Listed Secured redeemable Non-Convertible Debentures (NCDs)	https://www.nseprimeir.com/z_SHRIRAMCIT/files/DETAILS_OF_LISTED_SECURED_REDEEMABLE_NCDs.pdf

FINANCIAL STATEMENTS

Independent Auditor's Report

The Members of Shriram City Union Finance Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying standalone financial statements of Shriram City Union Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the statement of Profit and Loss, statement of Changes in Equity and statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matter

Attention is invited to the Note No. 70 to the financial statements:

i. In accordance with the Board approved moratorium policy relating to COVID-19 - Regulatory Package announced by Reserve Bank of India (RBI), the Company has granted moratorium up to six months on the payment of instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers and has continued recognition of interest income. In view of the management, this relaxation does not trigger any significant increase in credit risk.

ii. The provision in respect of expected credit losses on loans and advances consequent to COVID 19 pandemic has been made on the basis of estimation of probable defaults and future business estimates. These estimates would be periodically reviewed based on the future business scenario. However, actual results are uncertain and could be different from such estimates.

Our opinion is not modified in respect of the above matters.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report:

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment and Write-offs** The Recognition and Measurement of Impairment and Write-off of Loans and Advances involves estimates, management judgements and appropriate processing of information from the IT systems because of which the same has been identified as a key audit matter.	Our key audit procedures included: ● We test checked the computation of the Probable default (PD) which denotes the statistical pattern of occurrence of defaults in individual accounts over a period of past five years. ● We also test checked the computation of the ratio of Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. ● We reviewed the changes made by the management in estimating the PD and the LGD on the background of COVID 19 outbreak and additional ECL provisions made on the basis of above revisions. ● We examined the computation of Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. ● We reviewed the Internal financial controls over data extraction and data validation from the ERP system for computation of PD and LGD with the participation of our internal IT expert. ● We performed analytical procedures for ascertaining of reasonableness of Impairment provisions. ● We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written off. ● Our audit procedures did not reveal any significant inconsistencies with respect to provisions for impairment and write offs.

5. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, the Report of the Board of Directors and the Report on the Corporate Governance but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility

also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

7. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1," a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 43 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W
UDIN: 21121007AAAACB5091

Anagha M. Nanivadekar
Partner
Membership Number: 121007
Pune, April 30, 2021

Annexure 1

referred to in Paragraph 8 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company for the year ended March 31, 2021.

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management and based on our verification, we report that, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The Company's business does not involve inventories and accordingly, the requirements under paragraph 3 (ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, and based on the audit procedures conducted by us, we report that the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) Based on the audit procedures conducted by us and according to the information and explanations given to us, we are of the opinion that the provisions of section 185 of the Act have been complied with by the Company and the provisions of section 186 of the Act are not applicable to the Company.

(v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. We were informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under section 148 (1) of the Act for the activities carried out by the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us and from the records of the Company, there were no undisputed statutory dues as at the last day of the financial year which were outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of examination of books of account and records of the Company, we report that there are no dues in respect of Income tax, Sales tax, Service tax, Customs Duty, Excise Duty, Value added tax, Goods and services tax or cess which have not been deposited on account of any dispute except for following cases:

Name of Statute	Nature of dues	Amount (₹ In lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax Demands	7,687.17	April 2008 to September 2014	Customs, Excise and Service Tax Appellate Tribunal
Kerala Value Added Tax, 2003	Value Added Tax	4.65	AY 2007-08	Dy. Commissioner (Appeals) Ernakulum, Kerala
Income Tax Act, 1961	Income Tax	15.71	AY 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	398.80	AY 2018-19	Commissioner of Income Tax (Appeals)

Annexure 1 (Contd.)

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. Further, monies raised by the Company by way of debt instruments and term loans were applied for the purpose for which those were raised, though funds which were not required for immediate utilisation were invested during intervening period.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that no fraud by the Company or fraud on the Company by the officers, employees and customers of the Company has been noticed or reported during the year except fraud of ₹ 5 Lacs in the nature of misappropriation of funds and availing loans by submitting forged documents by employees and customers against whom the Company has initiated legal course of action.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.

(xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, we report that the Company is registered with Reserve Bank of India as required under section 45-IA of the Reserve Bank of India Act, 1934.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W
UDIN: 21121007AAAACB5091

Anagha M. Nanivadekar
Partner
Membership Number: 121007
Pune, April 30, 2021

Annexure 2

referred to in paragraph 8(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report on even date on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act")

We have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure 2 (Contd.)

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W
UDIN: 21121007AAAACB5091

Anagha M. Nanivadekar
Partner
Membership Number: 121007
Pune, April 30, 2021

Standalone Balance Sheet

as at March 31, 2021

₹ in lacs

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I ASSETS			
1 Financial Assets			
Cash and Cash Equivalents	8	3,81,528.17	2,09,182.78
Bank balance other than above	9	1,39,908.12	97,053.53
Receivables			
(I) Trade Receivables	10	229.99	89.76
(II) Other Receivables		-	-
Loans	11	27,42,011.64	26,61,252.96
Investments	12	1,01,732.24	73,413.97
Other Financial Assets	13	4,253.43	7,343.68
2 Non-Financial Assets			
Current Tax Assets (net)	36	4,502.79	13,069.56
Deferred Tax Assets (net)	36	12,815.28	5,072.77
Property, Plant and Equipment	14	6,437.72	7,241.02
Intangible Assets	15	204.44	193.18
Right of Use Assets	16	15,618.41	15,487.33
Other Non-Financial Assets	17	11,755.73	8,024.46
Total Assets		**34,20,997.96**	**30,97,425.00**
II LIABILITIES AND EQUITY			
1 Financial Liabilities			
Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	18	18.90	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18	6,729.05	6,077.83
Debt Securities	19	4,26,363.00	4,46,827.65
Borrowings (other than debt securities)	20	15,77,279.14	14,44,625.56
Deposits	21	5,52,888.78	4,01,206.80
Subordinated Liabilities	22	-	23,923.91
Other Financial Liabilities	23	40,962.53	47,848.62
2 Non-Financial Liabilities			
Provisions	24	2,631.25	3,926.79
Other Non-Financial Liabilities	25	2,272.72	2,192.27
Total Liabilities		**26,09,145.37**	**23,76,629.43**
3 Equity			
Equity Share Capital	26	6,600.50	6,600.29
Other Equity	27	8,05,252.09	7,14,195.28
Total Equity		**8,11,852.59**	**7,20,795.57**
Total Liabilities and Equity		**34,20,997.96**	**30,97,425.00**

See accompanying notes forming part of the financial statements.

As per our report of even date
For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number : 100515W

Anagha M.Nanivadekar
Partner
Membership No.121007
Pune, April 30, 2021

Place: Chennai
Date : April 30, 2021

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Standalone Statement of Profit & Loss

for the year ended March 31, 2021

₹ in lacs

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
REVENUE FROM OPERATIONS			
(i) Interest income	28	5,57,155.86	5,69,715.83
(ii) Dividend income		190.28	171.21
(iii) Fee and commission income	29	4,721.75	1,369.08
(iv) Net gain on fair value changes	30	131.95	238.73
(v) Net gain on derecognition of financial instruments under amortised cost category		-	2,241.46
(vi) Bad debts recovery		10,869.81	14,657.28
I Total revenue from operations		**5,73,069.65**	**5,88,393.59**
II Other income		773.82	320.90
III Total income (I+II)		**5,73,843.47**	**5,88,714.49**
EXPENSES			
(i) Finance cost	31	2,13,388.43	2,14,044.86
(ii) Net loss on derecognition of financial instruments under amortised cost category		167.03	-
(iii) Fees and commission expenses		10,384.63	13,026.94
(iv) Impairment on financial instruments	32	285.73	11,847.86
(v) Bad Debts Written Off		84,799.87	76,523.26
(vi) Employee benefit expenses	33	76,366.07	84,767.10
(vii) Depreciation, amortisation and impairment	34	7,984.14	8,215.79
(viii) Royalty		6,254.89	6,417.14
(ix) Professional Charges		13,010.25	12,071.42
(x) Other expenses	35	22,263.68	26,300.02
IV Total expenses		**4,34,904.72**	**4,53,214.39**
V Profit/(loss) before exceptional items and tax (III - IV)		**1,38,938.75**	**1,35,500.10**
VI Exceptional items		-	-
VII Profit/(loss) before tax (V- VI)		**1,38,938.75**	**1,35,500.10**
VIII Tax expense:			
(1) Current tax	36	46,219.68	34,240.38
(2) Income tax of the earlier years	36	-	1,324.24
(3) Deferred tax (credit)	36	(8,375.35)	(116.52)
IX Profit/(loss) for the period (V-VIII)		**1,01,094.42**	**1,00,052.00**
X Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		1,178.74	(340.60)
Gain/(Loss) on Fair valuation of quoted investments in equity shares		768.97	(664.10)
(ii) Income tax relating to items that will not be reclassified to profit or loss		632.84	(115.51)
Subtotal (A)		**1,314.87**	**(889.19)**
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		**-**	**-**
Other comprehensive income (A+B)		**1,314.87**	**(889.19)**
XI Total Comprehensive Income for the year (IX+ X)		**1,02,409.29**	**99,162.81**
XII Earnings per equity share			
Basic (₹)	37	153.16	151.60
Diluted (₹)	37	152.81	151.57

See accompanying notes forming part of the financial statements.

As per our report of even date
For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number : 100515W

Anagha M.Nanivadekar
Partner
Membership No.121007
Pune, April 30, 2021

Place: Chennai
Date : April 30, 2021

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Standalone Cash flow statement

for the year ended March 31, 2021

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	1,38,938.75	1,35,500.10
Adjustments for :		
Depreciation, amortisation and impairment	7,984.14	8,215.79
Loss/(profit) on sale of property, plant and equipment (net)	12.12	33.18
Bad Debts Written Off	84,799.87	76,523.26
Impairment of financial instruments	285.73	11,847.86
Unwinding of Financial Guarantee obligation	(117.13)	(15.65)
Amortisation of premium on Government securities	71.20	123.94
Interest on Lease Liabilities	1,718.12	1,610.59
Net (Gain)/Loss on sale of investments and Fair value changes of Investment/ Derivative	(131.95)	(238.73)
Net (Gain)/Loss on derecognition of financial instruments under amortised cost category	167.03	(2,241.46)
Lease concessions received	(432.51)	-
Share based payments to employees	1,847.93	-
Dividend Income considered as cash flow from investing activity	(190.28)	(171.21)
Operating profit before working capital changes	**2,34,953.02**	**2,31,187.67**
Movements in Working capital:		
(Increase) / decrease in loans and advances	(1,65,666.23)	(50,615.69)
(Increase) / decrease in other non financial assets	(3,714.30)	(2,370.32)
(Increase) / decrease in other financial assets	3,110.90	(2,910.33)
(Increase) / decrease in Bank Deposits	(42,861.05)	(66,770.79)
Increase / (decrease) in other financial liabilities	(14,597.36)	1,135.32
Increase / (decrease) in other non financial liabilities	80.45	665.11
Increase / (decrease) in other Payables	670.12	567.94
Increase / (decrease) in other Provisions	(302.76)	964.86
(Increase) / decrease in receivables	(146.50)	(93.12)
(Increase) / decrease in Derivative Financial Instruments	-	(379.00)
(Increase) / decrease in investments	(27,495.03)	(8,404.13)
Cash generated from operations	**(15,968.75)**	**1,02,977.51**
Direct taxes paid (net of refunds)	(37,652.91)	(44,409.68)
Net Cash from/(used in) operating activities (A)	**(53,621.66)**	**58,567.83**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(1,945.96)	(2,465.27)
Sale of Investment in Mutual Funds	-	20,235.50
Sale of Investment in Shares	-	1,252.24
Capital advance for assets	(16.97)	(4.45)
Proceeds from sale of fixed assets	36.62	44.19
Dividend Income	190.28	171.21
Net Cash from/(used in) investing activities (B)	**(1,736.03)**	**19,233.43**

Standalone Cash flow statement for the year ended March 31, 2021 (Contd.)

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	0.74	3.44
Increase/(Decrease) of Debt securities	(20,464.65)	78,137.69
Increase/(Decrease) of Borrowings	1,32,653.58	(69,521.78)
Increase/(Decrease) of Deposits	1,51,681.98	89,266.19
Increase/(Decrease) of Subordinated liabilities	(23,923.91)	(41,447.04)
Payment of Lease Liabilities	(5,644.23)	(5,690.52)
Dividend paid	(6,600.43)	(14,518.98)
Tax on Dividend	-	(2,984.42)
Net Cash from/(used in) financing activities (C)	**2,27,703.08**	**33,244.58**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**1,72,345.39**	**1,11,045.84**
Cash and cash equivalents at the beginning of the year	**2,09,182.78**	**98,136.94**
Cash and cash equivalents at the end of the year	**3,81,528.17**	**2,09,182.78**

₹ in lacs

Components of cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
Cash on hand	5,427.01	885.21
Balances with Banks		
- in current accounts	1,32,365.06	28,208.80
- in deposit accounts having original maturity less than three months	2,43,736.10	1,80,088.77
Total	**3,81,528.17**	**2,09,182.78**

Notes

1) The above cash- flow statement have been prepared under the indirect method as set out in the Indian Accounting Standard (IND AS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.

2) Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

3) All figures in brackets indicate cash outflow.

See accompanying notes forming part of the financial statements.

As per our report of even date
For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number : 100515W

Anagha M.Nanivadekar
Partner
Membership No.121007
Pune, April 30, 2021

Place: Chennai
Date : April 30, 2021

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Standalone Statement of changes in Equity

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

	No. of shares	₹ In lacs
As at April 1, 2019	**6,59,92,317**	**6,599.23**
Changes in Equity share capital during the year	10,605	1.06
As at March 31, 2020	**6,60,02,922**	**6,600.29**
Changes in Equity share capital during the year	2,100	0.21
As at March 31, 2021	**6,60,05,022**	**6,600.50**

B. OTHER EQUITY

Statement of changes in Equity for the year ended March 31, 2021

₹ in lacs

Particulars	Reserves and Surplus								Other Comprehensive Income	Total
	Statutory Reserve	Share Options Outstanding	Securities Premium Account	Debenture Redemption Reserve	Capital Redemption Reserve	General Reserve	Capital Reserve	Retained Earnings		
Balance as at April 1, 2019	**1,08,411.30**	**53.37**	**1,75,492.24**	**2,844.29**	**2,328.98**	**85,339.27**	**7,871.88**	**2,50,924.56**	**(732.67)**	**6,32,533.22**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	1,00,052.00	-	1,00,052.00
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	(340.60)	(340.60)
Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	(664.10)	(664.10)
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan and Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	115.51	115.51
Transferred from Retained Earnings up to August 16, 2019	-	-	-	2,930.90	-	-	-	(2,930.90)	-	-
Amount transferred to General Reserve on Redemption of Non convertible Debentures up to August 16, 2019	-	-	-	(2,911.54)	-	2,911.54	-	-	-	-
Amount transferred to General Reserve upon dispensation of requirement of DRR by MCA vide notification dated August 16 ,2019	-	-	-	(2,863.65)	-	2,863.65	-	-	-	-
Share Premium received during the year on exercise of ESOPs	-	-	26.67	-	-	-	-	-	-	26.67
Adjustment on Exercise of Employee Stock Option Plan	-	(24.02)	-	-	-	-	-	-	-	(24.02)
Final Equity Dividend FY 2018-19	-	-	-	-	-	-	-	(10,559.22)	-	(10,559.22)
Tax on Final Equity Dividend FY 2018-19	-	-	-	-	-	-	-	(2,170.48)	-	(2,170.48)
Interim Equity Dividend FY 2019-20	-	-	-	-	-	-	-	(3,959.76)	-	(3,959.76)
Tax on Interim Equity Dividend FY 2019-20	-	-	-	-	-	-	-	(813.94)	-	(813.94)
Transfer to Statutory Reserve	20,020.00	-	-	-	-	-	-	(20,020.00)	-	-
Transfer to General Reserve	-	-	-	-	-	10,010.00		(10,010.00)	-	-
Balance as at March 31, 2020	**1,28,431.30**	**29.35**	**1,75,518.91**	**-**	**2,328.98**	**1,01,124.46**	**7,871.88**	**3,00,512.26**	**(1,621.86)**	**7,14,195.28**

Standalone Statement of changes in Equity for the year ended March 31, 2021 (Contd.)

B. OTHER EQUITY (Contd.)

₹ in lacs

Particulars	Reserves and Surplus								Other Comprehensive Income	Total
	Statutory Reserve	Share Options Outstanding	Securities Premium Account	Debenture Redemption Reserve	Capital Redemption Reserve	General Reserve	Capital Reserve	Retained Earnings		
Balance as at March 31, 2020	**1,28,431.30**	**29.35**	**1,75,518.91**	**-**	**2,328.98**	**1,01,124.46**	**7,871.88**	**3,00,512.26**	**(1,621.86)**	**7,14,195.28**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	1,01,094.42	-	1,01,094.42
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	1,178.74	1,178.74
Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	768.97	768.97
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan and Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	(632.84)	(632.84)
Share Premium received during the year on exercise of ESOPs	-	-	5.28	-	-	-	-	-	-	5.28
Expenses on Employee Stock Option Plan (Refer Note No. 38)	-	1,847.93	-	-	-	-	-	-	-	1,847.93
Adjustment on Exercise of Employee Stock Option Plan	-	(4.76)	-	-	-	-	-	-	-	(4.76)
Interim Equity Dividend FY 2020-21	-	-	-	-	-	-	-	(13,200.93)	-	(13,200.93)
Transfer to Statutory Reserve	20,490.00	-	-	-	-	-	-	(20,490.00)	-	-
Transfer to General Reserve	-	-	-	-	-	10,250.00	-	(10,250.00)	-	-
Balance as at March 31, 2021	**1,48,921.30**	**1,872.52**	**1,75,524.19**	**-**	**2,328.98**	**1,11,374.46**	**7,871.88**	**3,57,665.75**	**(306.99)**	**8,05,252.09**

See accompanying notes forming part of the financial statements.

As per our report of even date
For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number : 100515W

Anagha M.Nanivadekar
Partner
Membership No.121007
Pune, April 30, 2021

Place: Chennai
Date : April 30, 2021

For and on behalf of the Board of Directors of
Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Notes to Standalone Financial Statements

for the year ended March 31, 2021

1. CORPORATE INFORMATION

Shriram City Union Finance Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing small and medium enterprises, two-wheelers and pledged jewels. It also provides personal loans and auto loans. The Company is a Deposit Accepting Non- Banking Finance Company (NBFC) registered as a Loan Company with the Reserve Bank of India (RBI) and Ministry of Corporate Affairs. The registration details are as follows:

RBI 07-00458

Corporate Identity Number (CIN) L65191TN1986PLC012840
IRDA CA0652

Shriram Capital Limited is the promoter of the Company.

The registered office of the Company is at No.123, Angappa Naicken Street, Chennai – 600 001. The principal place of business is at No.144, Santhome High Road, Mylapore, Chennai – 600 004. The financial statements of the Company for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on April 30, 2021.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable on as accrual basis.

The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting policies have been consistently applied to all periods presented, unless otherwise stated except where a newly – issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 7 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR) and all values are rounded off to the nearest lacs upto two decimals, except when otherwise indicated.

3. PRESENTATION OF FINANCIAL STATEMENT

The Balance Sheet, Statement of Profit and Loss and Statement of changes in Equity of the Company are prepared and presented in the format prescribed in the Division III of Schedule III of the Act applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business
ii. The event of default
iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

4. STATEMENT OF COMPLIANCE

These standalone or separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the other relevant provisions of the Act.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

5. RECENT ACCOUNTING DEVELOPMENTS

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division III which relate to Non-banking financial companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Disclosures in respect of certain ratios including capital adequacy ratio and liquidity coverage ratio.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

a. Financial Assets

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost (amortised cost)
2. Financial assets to be measured at fair value through other comprehensive income (FVTCOI)
3. Financial assets to be measured at fair value through profit or loss account (FVTPL)

The classification depends on the contractual terms of the financial assets, cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company

does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

- At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business model/ (s) have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

b. Financial Liabilities

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

Financial assets are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

Financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

These financial assets comprise bank balances, Loans, investments and other financial assets.

(iii) Financial assets measured at fair value through other comprehensive income

Financial Assets other than equity instruments:

These financial assets are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Company does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

(iv) Items at fair value through profit or loss

Financial assets which are not classified in any of the above categories are measured at FVTPL.

Items at fair value through profit or loss comprise:

a. Investments (including equity shares) held for trading;

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

b. Items specifically designated as fair value through profit or loss on initial recognition;

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date the Company does not have any financial instruments designated as measured at fair value through profit or loss.

c. Debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date the Company does not have any such financial instruments measured at fair value through profit or loss.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial instruments as measured at fair value through profit or loss.

(v) Investment in subsidiaries

The Company has accounted for its investments in subsidiary at cost.

(vi) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

(vii) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds,

and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(viii) Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

- The premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

(ix) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition apart from the exceptional circumstances in which company changes its business model for managing financial assets. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities until the year ended March 31, 2021.

(x) Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date the Company does not have any financial liabilities which have been derecognised.

(xi) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on individual basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Gold Loan, Auto Loans, MSME Loans, Two Wheeler Loans, Personal loans, Pre-Owned Two Wheeler Loans and Loan Against property.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

As required by RBI Circular reference no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020; where impairment allowance under Ind AS 109 is lower than the provisioning required as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc., the Company shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020, April 17, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package, the Company has granted moratorium upto six months on the payment of instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers. In respect of accounts overdue but standard at February 29, 2020 where moratorium benefit has been granted, the staging of such accounts remained stand still during the moratorium period. Based on an assessment by the Company, this relaxation has not been deemed to be automatically triggering significant increase in credit risk. The Company continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. The provision in respect of expected credit losses on loans and advances consequent to COVID 19 pandemic has been made on the basis of estimation of probable defaults and future business estimates. These estimates would be periodically reviewed based on the future business scenario. However, actual results are uncertain and could be different from such estimates.

Loan commitments:

When estimating expected credit loss for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Credit-impaired financial assets:

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the Company has not recognised any ECL in respect of financial guarantee based on estimate of expected cash flows.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Company does not have any debt instruments measured at fair value through OCI.

The mechanics of ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD)- The Exposure at Default is an estimate of the exposure at a future default date.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

The above calculated PDs, EAD and LGDs are reviewed annually and changes in the forward looking estimates are analysed.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(xii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(xiii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 6.1(iii) to 6.1(vi)) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

6.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

(iv) Net gain or loss on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Company does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

(v) Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation basis.

(vi) Net gain or loss on derecognition of financial instruments under amortised cost category

Net gain or loss on derecognition of financial instruments under amortised cost category is recognised upfront in the statement of profit and loss, being the difference between the carrying amount (measured at the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed).

6.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in Finance Cost with the corresponding adjustment to the carrying amount of the liabilities.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company fully contributes all ascertained liabilities to The Trustees – SCUF Employees Group Gratuity Trust. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

Employee Stock Options

Eligible employees in terms of the Employees Stock Options Scheme of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments granted (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Share Option Outstanding Reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense / vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest.

(iii) Lease

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. After the commencement date, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is also remeasured when there is a change in future lease payments arising

from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest on the lease liability is recognised in the statement of Profit & Loss except to the extent that it can be allocated to any Property, Plant & Equipment. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet.

Rent concession consequent to modification of lease terms due to COVID 19 pandemic have been accounted for as other income with a reduction in lease liability in terms of practical expedient under IND AS 116 Leases.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

(iv) Other income and expenses

All Other income and expense are recognised in the period they occur.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets

and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(vii) Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

6.4 Foreign currency translation

(i) Functional and presentational currency

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

6.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

6.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated. .

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years
Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	10 years	10 years
Electronic equipment	10 years	10 years
Office equipment	5 years	5 years
Refrigerator	10 years	10 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/ sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

6.8 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

6.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are reviewed at each Balance Sheet date.

6.10 Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Contingent assets are reviewed at each Balance Sheet date.

6.11 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

7. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period and reported amounts of income and expenses for the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect

on the amounts recognised in the financial statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

7.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(xi) Overview of ECL principles.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product lifecycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

7.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

8. CASH AND CASH EQUIVALENTS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	5,427.01	885.21
Balances with banks (of the nature of cash and cash equivalents)		
-Current Account	1,32,365.06	28,208.80
-Bank deposit with original maturity less than three months	2,43,736.10	1,80,088.77
Total	**3,81,528.17**	**2,09,182.78**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company and earn interest at the respective short-term deposit rates. The company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

9. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Unclaimed dividend accounts	86.42	92.88
Bank deposits with original maturity for more than 3 months*	41,238.45	25,185.45
Balances with banks to the extent held as Margin Money or security against the borrowings, guarantees, other commitments.	98,583.25	71,775.20
Total	**1,39,908.12**	**97,053.53**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits March 31, 2021: ₹ 21,197.76 lacs (March 31, 2020: ₹ 20,181.02 lacs) towards SLR requirement for Public Deposits Outstanding.

10. RECEIVABLES

(I) Trade Receivables

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	239.62	93.12
Less: Impairment loss allowances	(9.63)	(3.36)
Total	**229.99**	**89.76**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

10. RECEIVABLES (Contd.)

As at March 31, 2021

₹ in lacs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	239.62	-	-	-	-	239.62
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	**239.62**	**-**	**-**	**-**	**-**	**239.62**
ECL - Simplified approach	**(9.63)**	**-**	**-**	**-**	**-**	**(9.63)**
Net carrying amount	**229.99**	**-**	**-**	**-**	**-**	**229.99**

As at March 31, 2020

₹ in lacs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	93.12	-	-	-	-	93.12
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**93.12**	**-**	**-**	**-**	**-**	**93.12**
ECL - Simplified approach	**(3.36)**	**-**	**-**	**-**	**-**	**(3.36)**
Net carrying amount	**89.76**	**-**	**-**	**-**	**-**	**89.76**

Reconciliation of impairment allowance on trade receivable

₹ in lacs

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2019	**-**
Add: Addition during the year	3.36
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2020	**3.36**
Add: Addition during the year	6.27
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2021	**9.63**

11. LOANS AND ADVANCES

₹ in lacs

Particulars	As at March 31, 2021					As at March 31, 2020				
	At amortised Cost	At fair value			Total	At amortised Cost	At fair value			Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account			Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	
(A)										
i) Term loans	29,46,518.91	-	-	-	29,46,518.91	28,65,652.55	-	-	-	28,65,652.55
ii) Others	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	**29,46,518.91**	**-**	**-**	**-**	**29,46,518.91**	**28,65,652.55**	**-**	**-**	**-**	**28,65,652.55**
Less: Impairment loss allowance	2,04,507.27	-	-	-	2,04,507.27	2,04,399.59	-	-	-	2,04,399.59
Total (A) - Net	**27,42,011.64**	**-**	**-**	**-**	**27,42,011.64**	**26,61,252.96**	**-**	**-**	**-**	**26,61,252.96**
(B)										
i) Secured by tangible assets	25,64,333.68	-	-	-	25,64,333.68	24,36,453.02	-	-	-	24,36,453.02
ii) Unsecured	3,82,185.23	-	-	-	3,82,185.23	4,29,199.53	-	-	-	4,29,199.53
Total (B) - Gross	**29,46,518.91**	**-**	**-**	**-**	**29,46,518.91**	**28,65,652.55**	**-**	**-**	**-**	**28,65,652.55**
Less: Impairment loss allowance	2,04,507.27	-	-	-	2,04,507.27	2,04,399.59	-	-	-	2,04,399.59
Total (B) - Net	**27,42,011.64**	**-**	**-**	**-**	**27,42,011.64**	**26,61,252.96**	**-**	**-**	**-**	**26,61,252.96**
(C)										
Loans in India										
i) Public Sector	-	-	-	-	-	-	-	-	-	-
ii) Others										
Corporate	70,712.74	-	-	-	70,712.74	1,09,639.30	-	-	-	1,09,639.30
Retail	28,75,806.17	-	-	-	28,75,806.17	27,56,013.25	-	-	-	27,56,013.25
Total (C)- Gross	**29,46,518.91**	**-**	**-**	**-**	**29,46,518.91**	**28,65,652.55**	**-**	**-**	**-**	**28,65,652.55**
Less: Impairment loss allowance	2,04,507.27	-	-	-	2,04,507.27	2,04,399.59	-	-	-	2,04,399.59
Total (C)- Net	**27,42,011.64**	**-**	**-**	**-**	**27,42,011.64**	**26,61,252.96**	**-**	**-**	**-**	**26,61,252.96**
(D)										
Loans outside India	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-
Total (D) - Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**27,42,011.64**	**-**	**-**	**-**	**27,42,011.64**	**26,61,252.96**	**-**	**-**	**-**	**26,61,252.96**

11. LOANS AND ADVANCES (Contd.)

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 47.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 47.2.

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade								
Performing								
High grade	17,55,270.88	-	-	17,55,270.88	21,30,932.70	-	-	21,30,932.70
Standard grade	7,70,117.07	-	-	7,70,117.07	3,40,429.28	-	-	3,40,429.28
Sub-standard grade	-	1,10,721.99	-	1,10,721.99	-	1,36,241.26	-	1,36,241.26
Past due but not impaired	-	1,22,810.23	-	1,22,810.23	-	31,755.58	-	31,755.58
Non- performing	-	-	1,87,598.75	1,87,598.75	-		2,26,293.73	2,26,293.73
Total	**25,25,387.95**	**2,33,532.22**	**1,87,598.75**	**29,46,518.91**	**24,71,361.98**	**1,67,996.84**	**2,26,293.73**	**28,65,652.55**

An analysis of changes in the gross carrying amount as follows:

₹ in lacs

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	24,71,361.98	1,67,996.84	2,26,293.73	28,65,652.55	21,75,299.36	4,58,591.84	2,57,668.91	28,91,560.11
New assets originated or purchased	16,45,829.62	57,095.43	12,470.98	17,15,396.03	22,01,678.34	46,984.19	22,501.62	22,71,164.15
Assets derecognised or repaid (excluding write offs)	(14,16,719.93)	(83,725.31)	(49,284.56)	(15,49,729.80)	(18,77,060.54)	(2,49,649.63)	(93,838.28)	(22,20,548.45)
Transfers to Stage 1	72,877.88	(67,932.14)	(4,945.74)	-	1,59,130.15	(1,55,330.42)	(3,799.73)	-
Transfers to Stage 2	(1,77,805.13)	1,84,215.77	(6,410.64)	-	(1,20,582.98)	1,24,790.35	(4,207.37)	-
Transfers to Stage 3	(64,389.05)	(23,883.92)	88,272.97	-	(65,703.46)	(51,246.35)	1,16,949.80	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(406.77)	239.35	167.41	-	-	-	-	-
Amounts written off	(5,360.65)	(473.82)	(78,965.40)	(84,799.87)	(1,398.89)	(6,143.14)	(68,981.24)	(76,523.26)
Gross carrying amount closing balance	**25,25,387.95**	**2,33,532.22**	**1,87,598.75**	**29,46,518.91**	**24,71,361.98**	**1,67,996.84**	**2,26,293.73**	**28,65,652.55**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

11. LOANS AND ADVANCES (Contd.)

Reconciliation of ECL balance is given below:

₹ in lacs

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	83,680.54	11,043.90	1,09,675.14	2,04,399.59	58,916.21	21,358.29	1,12,374.68	1,92,649.18
New assets originated or purchased	41,177.23	2,207.62	2,523.54	45,908.39	49,659.61	2,300.18	6,059.59	58,019.38
Transfers to Stage 1	7,895.83	(5,261.93)	(2,633.90)	-	10,238.61	(8,491.18)	(1,747.43)	-
Transfers to Stage 2	(6,921.23)	10,237.08	(3,315.85)	-	(3,403.65)	5,261.92	(1,858.27)	-
Transfers to Stage 3	(2,545.34)	(2,127.16)	4,672.50	-	(2,038.49)	(2,959.43)	4,997.92	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(29,804.02)	888.64	67,914.55	38,999.16	(28,292.86)	(282.75)	58,829.89	30,254.29
Amounts written off	(5,360.65)	(473.82)	(78,965.40)	(84,799.87)	(1,398.89)	(6,143.14)	(68,981.24)	(76,523.26)
ECL allowance - closing balance	**88,122.34**	**16,514.34**	**99,870.58**	**2,04,507.27**	**83,680.54**	**11,043.90**	**1,09,675.14**	**2,04,399.59**

Out of loan balances written off during the year ₹ 84,799.87 lacs (March 31, 2020 ₹ 76,523.26 lacs), ₹ 77,527.99 lacs and ₹ 66,310.43 lacs respectively are subject to enforcement activity by the company.

12. INVESTMENTS

₹ in lacs

Particulars	Amortised Cost	At Fair value			Sub-total (At Fair Value)	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at Fair value through profit and loss account			
As at March 31, 2021							
i) Mutual funds	-	-	434.03	-	434.03	-	434.03
ii) Government securities	8,638.94	-	-	-	-	-	8,638.94
iii) Equity instruments	-	9,686.10	-	-	9,686.10	-	9,686.10
iv) Subsidiary	-	-	-	-	-	16,544.00	16,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	-	183.91	183.91
vi) Treasury Bills	66,090.73	-	-	-	-	-	66,090.73
vii) Investments in Pass Through Certificate	161.00	-	-	-	-	-	161.00
Total Gross (A)	**74,890.67**	**9,686.10**	**434.03**	**-**	**10,120.13**	**16,727.91**	**1,01,738.71**
(i) Investments outside India	-	9,686.10	-	-	9,686.10	-	9,686.10
(ii) Investments in India	74,890.67	-	434.03	-	434.03	16,727.91	92,052.61
Total Gross (B)	**74,890.67**	**9,686.10**	**434.03**	**-**	**10,120.13**	**16,727.91**	**1,01,738.71**
Less : Allowance for impairment loss (C)	**(6.47)**	**-**	**-**	**-**	**-**	**-**	**(6.47)**
Total - Net D = (A) - (C)	**74,884.20**	**9,686.10**	**434.03**	**-**	**10,120.13**	**16,727.91**	**1,01,732.24**

12. INVESTMENTS (Contd.)

₹ in lacs

Particulars	Amortised Cost	At Fair value			Sub-total (At Fair Value)	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at Fair value through profit and loss account			
As at March 31, 2020							
i) Mutual funds	-	-	302.08	-	302.08	-	302.08
ii) Government securities	21,018.89	-	-	-	-	-	21,018.89
iii) Equity instruments	-	8,917.14	-	-	8,917.14	-	8,917.14
iv) Subsidiary	-	-	-	-	-	16,544.00	16,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	-	183.91	183.91
vi) Treasury Bills	26,447.95	-	-	-	-	-	26,447.95
vii) Investments in Pass Through Certificate	-	-	-	-	-	-	-
Total Gross (A)	**47,466.84**	**8,917.14**	**302.08**	**-**	**9,219.22**	**16,727.91**	**73,413.97**
(i) Investments outside India	-	8,917.14	-	-	8,917.14	-	8,917.14
(ii) Investments in India	47,466.84	-	302.08	-	302.08	16,727.91	64,496.83
Total Gross (B)	**47,466.84**	**8,917.14**	**302.08**	**-**	**9,219.22**	**16,727.91**	**73,413.97**
Less : Allowance for impairment loss (C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total - Net D = (A) - (C)	**47,466.84**	**8,917.14**	**302.08**	**-**	**9,219.22**	**16,727.91**	**73,413.97**

More information regarding the valuation methodologies can be found in Note 46.7

The Company received dividends of ₹ 190.28 lacs (March 31, 2020: ₹ 171.21 lacs) from its investments measured at FVTOCI securities, recorded as dividend income.

The Company has on June 30, 2019, reclassified its investments in Quoted Equity instruments held in Ceylinco Insurance PLC (carrying value as at the date of the transfer ₹ 10,603.97 lacs) from FVTPL to FVTOCI. The reclassification to FVTOCI is irrevocable and was necessitated since the Company revised its business model on that date to hold these investments as a long term investment unlike the earlier business model of its disposal in near future. Accordingly, the fair value loss of ₹ 1,022.73 lacs till June 30, 2019 has been recorded through profit and loss and fair value loss of ₹ 664.10 lacs thereafter has been recorded through the other comprehensive income.

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances . Details of the Company's internal grading system are explained in note 47.2.

₹ in lacs

Internal Grade Rating	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Performing								
High grade	1,01,738.71	-	-	1,01,738.71	73,413.97	-	-	73,413.97
Standard grade	-	-	-	-	-	-	-	-
Non-performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	**1,01,738.71**	**-**	**-**	**1,01,738.71**	**73,413.97**	**-**	**-**	**73,413.97**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

12. INVESTMENTS (Contd.)

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	**73,413.97**	**-**	**-**	**73,413.97**	**86,965.30**	**-**	**-**	**86,965.30**
New assets originated or purchased	82,880.04	-	-	82,880.04	757,705.10	-	-	757,705.10
Assets derecognised or matured	(58,255.78)	-	-	(58,255.78)	(772,385.95)	-	-	(772,385.95)
Other changes								
Amortisation of G-sec Premium	(71.20)	-	-	(71.20)	(123.94)	-	-	(123.94)
Interest on investment at amortised cost	2,870.77	-	-	2,870.77	2,951.00	-	-	2,951.00
Change in fair value								
OCI	768.97	-	-	768.97	(664.10)	-	-	(664.10)
Profit & Loss	131.94	-	-	131.94	(1,033.44)	-	-	(1,033.44)
Closing balance	**1,01,738.71**	**-**	**-**	**1,01,738.71**	**73,413.97**	**-**	**-**	**73,413.97**

Reconciliation of ECL balance is given below:

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
New assets originated or purchased	6.47	-	-	6.47	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Unwind of discount (recognised in interest income)	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Closing balance in ECL	**6.47**	**-**	**-**	**6.47**	**-**	**-**	**-**	**-**

13. OTHER FINANCIAL ASSETS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	2,296.02	2,249.73
Assignment receivable	1,036.67	1,730.97
Less: ECL on Assignment Receivable	(41.67)	(62.32)
Other receivables	0.16	2,434.44
Employee benefits recoverable from former employers for transfer of employees	962.25	990.86
Total	**4,253.43**	**7,343.68**

Reconciliation of impairment allowance on Assignment receivable

₹ in lacs

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2019	**-**
Add: Addition during the year	62.32
Less: Reversal during the year	-
Impairment allowance as per March 31, 2020	**62.32**
Add: Addition during the year	-
Less: Reversal during the year	20.65
Impairment allowance as per March 31, 2021	**41.67**

14. PROPERTY, PLANT AND EQUIPMENTS

₹ in lacs

Particulars	Land-Freehold	Building	Office equipments	Electrical Installations	Computer Equipments	Furniture & Fixtures	Vehicles	Leasehold Improvements	Total
Cost:									
As at April 01, 2019	**2.31**	**12.94**	**3,230.84**	**3,305.96**	**7,259.95**	**2,576.91**	**57.35**	**12,464.66**	**28,910.92**
Additions	-	-	58.94	385.73	594.37	197.75	13.45	1,044.20	2,294.44
Disposals	-	-	65.20	98.43	351.92	18.86	0.54	89.27	624.22
As at March 31, 2020	**2.31**	**12.94**	**3,224.58**	**3,593.26**	**7,502.40**	**2,755.80**	**70.26**	**13,419.59**	**30,581.14**
Additions	-	-	30.19	178.31	793.72	108.40	27.52	658.42	1,796.56
Disposals	-	-	5.77	89.03	505.88	15.54	16.57	64.39	697.18
As at March 31, 2021	**2.31**	**12.94**	**3,249.00**	**3,682.54**	**7,790.24**	**2,848.66**	**81.21**	**14,013.62**	**31,680.52**
Accumulated depreciation and impairment:									
As at April 01, 2019	**-**	**3.85**	**2,555.89**	**1,348.37**	**5,432.67**	**1,437.57**	**25.38**	**10,182.72**	**20,986.45**
Disposals	-	-	57.23	66.83	333.80	17.24	0.36	71.39	546.85
Depreciation charge for the year	-	0.17	206.71	320.31	955.75	197.27	5.91	1,214.40	2,900.52
As at March 31, 2020	**-**	**4.02**	**2,705.37**	**1,601.85**	**6,054.62**	**1,617.60**	**30.93**	**11,325.73**	**23,340.12**
Disposals	-	-	5.51	72.89	480.62	13.66	11.80	63.96	648.44
Depreciation charge for the year	-	0.17	145.04	329.06	786.31	194.98	7.77	1,087.79	2,551.12
As at March 31, 2021	**-**	**4.19**	**2,844.90**	**1,858.02**	**6,360.31**	**1,798.92**	**26.90**	**12,349.56**	**25,242.80**
Net carrying amount as at March 31, 2020	**2.31**	**8.92**	**519.21**	**1,991.41**	**1,447.78**	**1,138.20**	**39.33**	**2,093.86**	**7,241.02**
Net carrying amount as at March 31, 2021	**2.31**	**8.75**	**404.10**	**1,824.52**	**1,429.93**	**1,049.74**	**54.31**	**1,664.06**	**6,437.72**

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2021 is ₹ 2.31 lacs (March 31 2020: ₹ 2.31 lacs).

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

15. OTHER INTANGIBLE ASSETS

₹ in lacs

Particulars	Computer Software
Cost:	
As at April 01, 2019	**3,886.42**
Additions	170.83
Disposals	-
As at March 31, 2020	**4,057.25**
Additions	149.41
Disposals	-
As at March 31, 2021	**4,206.66**
Accumulated amortisation and impairment:	
As at April 01, 2019	**3,729.06**
Depreciation charge for the year	135.01
Disposals	-
As at March 31, 2020	**3,864.07**
Depreciation charge for the year	138.15
Disposals	-
As at March 31, 2021	**4,002.22**
Net carrying amount as at March 31, 2020	**193.18**
Net carrying amount as at March 31, 2021	**204.44**

16. RIGHT OF USE ASSETS

As at March 31, 2021

₹ in lacs

Sr No.	Class of Underlying Asset	Opening Balance of Right-of-Use assets (Balance as on April 1, 2020)	Additions to Right-of-Use Assets, made during the year	Reduction in Right-of-Use Assets due to termination of Lease agreement	Amortisation for the year	Amount of Right-Of-Use Asset as on March 31, 2021
1	Office Premises	15,487.33	6,385.90	959.95	5,294.87	15,618.41

As at March 31, 2020

₹ in lacs

Sr No.	Class of Underlying Asset	Opening Balance of Right-of-Use assets (Balance as on April 1, 2019)	Recognised on transition as on April 1, 2019 of IND As 116 - Leases	Additions to Right-of-Use Assets, made during the year	Reduction in Right-of-Use Assets due to termination of Lease agreement	Amortisation for the year	Amount of Right-Of-Use Asset as on March 31, 2020
1	Office Premises	-	15,630.81	5,656.31	619.53	5,180.26	15,487.33

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

17. OTHER NON-FINANCIAL ASSETS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Goods and Service tax credit (input) receivable	8,681.43	6,055.83
Other Advances	121.67	165.21
Statutory duties paid under protest	766.66	766.66
Capital advances	88.06	71.09
Prepaid expenses	622.36	965.67
Deposit with gratuity fund in excess of obligation	1,475.55	-
Total	**11,755.73**	**8,024.46**

18. OTHER PAYABLES

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
(i) total outstanding dues of micro enterprises and small enterprises	18.90	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,729.05	6,077.83
Total	**6,747.95**	**6,077.83**

As at March 31, 2021

₹ in lacs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	18.90	-	-	-	18.90
Others	6,727.06	1.99	-	-	6,729.05
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
Total	**6,745.96**	**1.99**	**-**	**-**	**6,747.95**

As at March 31, 2020

₹ in lacs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	6,077.83	-	-	-	6,077.83
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
Total	**6,077.83**	**-**	**-**	**-**	**6,077.83**

19. DEBT SECURITIES

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Redeemable Non-Convertible Debentures (Secured)								
Public issue *	86,924.21	-	-	86,924.21	84,955.43	-	-	84,955.43
Privately placed **	3,39,438.79	-	-	3,39,438.79	3,61,872.22	-	-	3,61,872.22
Total	**4,26,363.00**	**-**	**-**	**4,26,363.00**	**4,46,827.65**	**-**	**-**	**4,46,827.65**
Debt securities in India	4,26,363.00	-	-	4,26,363.00	4,46,827.65	-	-	4,46,827.65
Debt securities outside India	-	-	-	-	-	-	-	-
Total	**4,26,363.00**	**-**	**-**	**4,26,363.00**	**4,46,827.65**	**-**	**-**	**4,46,827.65**

* Includes ₹ 5,192.17 lacs (March 31, 2020 ₹ 5,167.81 lacs) issued to related parties.

** Includes ₹ 2,389.31 lacs (March 31, 2020 ₹ 2,311.51 lacs) issued to related parties.

A. Public Issue of Redeemable Non-Convertible Debentures (NCDs) Secured of ₹ 1,000/- each - Quoted

(i) Issued in 2019

₹ in lacs

Tranche I Series	Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
Series I	9.55%	42,330.07	41,656.21	30-Apr-21
Series II	9.54%	2,955.37	2,650.23	30-Apr-21
Series III	9.65%	6,985.01	6,910.72	30-Apr-22
Series IV	9.26%	4,034.35	3,986.74	30-Apr-22
Series V	9.64%	2,902.22	2,615.41	30-Apr-22
Series VI	9.75%	7,065.31	7,020.61	30-Apr-24
Series VII	9.35%	3,431.69	3,407.24	30-Apr-24
Series VIII	9.75%	2,450.56	2,216.93	30-Apr-24
		72,154.58	**70,464.09**	

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

19. DEBT SECURITIES (Contd.)

₹ in lacs

Tranche II Series	Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
Series I	9.55%	3,098.30	3,069.75	25-Sep-21
Series II	9.55%	617.73	558.28	25-Sep-21
Series III	9.70%	1,646.07	1,636.06	25-Sep-22
Series IV	9.30%	1,313.58	1,305.02	25-Sep-22
Series V	9.71%	938.58	850.15	25-Sep-22
Series VI	9.85%	5,420.43	5,401.17	25-Sep-24
Series VII	9.45%	1,092.30	1,088.07	25-Sep-24
Series VIII	9.88%	642.64	582.84	25-Sep-24
		14,769.63	**14,491.34**	
Grand Total - Tranche I and II		**86,924.21**	**84,955.43**	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the Company's specifically identified assets such as book debts / loan receivables in favour of the Trustees appointed.

The Company had utilised the entire sum of ₹ 78,200.81 lacs raised from public issue (net off expenses) towards financing activities as per the objects stated in the prospectus for the issue, and will have the flexibility in deploying the net proceeds and pending utilisation, if any, in temporarily investment in mutual funds, deposits with banks/institutions.

Secured redeemable non- convertible debentures may be bought back subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Company.

B. Redeemable Non-Convertible Debentures - Secured

Privately Placed Redeemable Non-Convertible Debenture -Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 10,00,000/- each - Quoted and for two INEs - INE722A07AG5 and INE722A07AH3, the face value is ₹ 1,00,000/- each

₹ in lacs

Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
8.20%	-	14,645.08	16-Apr-20
8.15%	-	43,630.87	27-May-20
9.30%	-	5,366.91	17-Jun-20
9.30%	-	5,358.07	22-Jun-20
8.15%	-	623.85	30-Jun-20
7.97%	-	24,174.40	6-Oct-20
7.97%	-	31,002.56	27-Oct-20
9.40%	-	23,734.92	30-Dec-20
10.75% *	-	100.68	4-Feb-21
9.80% #	-	63,017.54	21-Sep-21
9.70% **	54,807.61	54,173.67	5-Mar-22
8.98%	15,540.55	-	9-Mar-22
9.90%	10,290.26	9,390.72	4-Apr-22
8.98%	20,713.25	-	6-Apr-22
8.15%	2,529.63	-	18-May-22
8.95%	20,034.55	-	18-Aug-22

19. DEBT SECURITIES (Contd.)

₹ in lacs

Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
9.90%	10,992.93	10,013.85	29-Sep-22
8.09%	8,202.91	8,201.41	5-Dec-22
8.60%	14,825.47	-	27-Jan-23
9.25%	49,812.53	49,515.13	28-Feb-23
8.60%	47,903.37	-	1-Mar-23
9.25%**	2,479.95	2,460.66	5-Mar-23
8.90%	11,513.58	11,511.94	27-Mar-23
8.40%	19,705.94	-	30-Mar-23
8.40%	29,091.02	-	17-May-23
9.25%	4,970.79	4,949.96	28-May-24
9.25%	975.18	-	8-Feb-30
9.25%	4,833.76	-	22-Feb-30
9.50%	2,926.36	-	7-Feb-31
9.50%	7,289.15	-	21-Feb-31
Total	**3,39,438.79**	**3,61,872.22**	

* Repaid in instalments.

Preclosed in Sep 2020.

** Two NCDs having INEs INE722A07AG5 and INE722A07AH3 have face value of ₹ 1,00,000/- each

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 18 months to 120 months from the date of allotment depending on the terms of the agreement.

Out of the above, the following INE722A07AE0, INE722A07AF7 and INE722A07AG5 totalling to ₹ 57,263.26 lacs (March 31, 2020 : 56,925.75 lacs) are having put option facility, as may be subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Company.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

20. BORROWINGS (OTHER THAN DEBT SECURITIES)

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Secured								
Term Loan								
from bank in INR	7,62,526.16	-	-	7,62,526.16	7,89,133.69	-	-	7,89,133.69
from financial institution/ NBFC in INR	2,63,930.95	-	-	2,63,930.95	64,040.47	-	-	64,040.47
from bank in INR-Securitisation	38,605.98	-	-	38,605.98	58,553.69	-	-	58,553.69
from financial institution/ NBFC in INR-Securitisation	2,99,853.14	-	-	2,99,853.14	3,19,206.50	-	-	3,19,206.50
Loans repayable on demand								
Cash credit / Overdraft facilities from banks	35,847.57	-	-	35,847.57	48,037.90	-	-	48,037.90
Working Capital demand loan from banks	1,76,515.34	-	-	1,76,515.34	1,54,488.98	-	-	1,54,488.98
Unsecured								
Commercial Papers	-	-	-	-	11,164.33	-	-	11,164.33
Total	**15,77,279.14**	**-**	**-**	**15,77,279.14**	**14,44,625.56**	**-**	**-**	**14,44,625.56**
Borrowings in India	15,77,279.14	-	-	15,77,279.14	14,44,625.56	-	-	14,44,625.56
Borrowings outside India	-	-	-	-	-	-	-	-
Total	**15,77,279.14**	**-**	**-**	**15,77,279.14**	**14,44,625.56**	**-**	**-**	**14,44,625.56**

20. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term Loan from Bank in Indian currency-Secured

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	7.20% to 11.50%	3 to 24 installments of monthly, quarterly, Half-yearly frequency and Bullet Payment	2,06,881.75
12-24 Months	7.80% to 10.60%	3 to 36 installments of monthly, quarterly frequency	2,27,252.09
24-36 Months	8.15% to 10.20%	8 to 33 installments of monthly, quarterly frequency	1,83,430.03
36-48 Months	8.50% to 9.45%	14 to 15 installments of quarterly frequency	1,44,962.29
Total			**7,62,526.16**

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	8.80% to 10.85%	2 to 12 installments of quarterly, Half yearly and annual frequency	1,59,251.37
12-24 Months	8.55% to 10.85%	3 to 24 installments of monthly, quarterly, Half yearly frequency	2,88,843.96
24-36 Months	9.55% to 10.60%	4 to 36 installments of monthly, quarterly frequency	1,84,151.96
36-48 Months	9.20% to 10.75%	11 to 19 installments of quarterly frequency	1,56,886.41
Total			**7,89,133.69**

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Financial Institutions/ NBFC-Secured

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	6.21% to 9.00%	4 Quarterly installments & Bullet Payment	43,882.35
12-24 Months	7.60% to 9.40%	12 to 20 Quarterly Installments	12,851.91
24-36 Months	8.25%	10 Quarterly Installments	4,359.24
36-48 Months	10.50%	20 Half-yearly installments	27,875.40
48-60 Months	7.20% to 9.75%	20 Quarterly Installments	1,44,803.84
Above 60 Months	8.75%	20 Quarterly Installments	30,158.21
Total			**2,63,930.95**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

20. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
24 to 36 Months	8.65% to 10.00%	12 to 20 Quarterly Installments	20,922.83
48 to 60 Months	10.50%	20 Half yearly installments	43,117.64
Total			**64,040.47**

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term loan from banks - INR -Securitisation

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
48-60 Months	9.10% to 10.00%	1 to 70 installments of monthly frequency	38,605.98
			38,605.98

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
Above 60 Months	9.10% to 10.00%	1 to 70 installments of monthly frequency	58,553.69
			58,553.69

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Term loan from Financial Institutions/ NBFC - INR -Securitisation

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Total Amount
Upto 12 Months	10.40%	1 to 23 installments of monthly frequency	445.01
12-24 Months	8.20% to 10.55%	1 to 30 installments of monthly frequency	72,922.50
24-36 Months	8.20% to 10.25%	1 to 52 installments of monthly frequency	76,426.41
36-48 Months	10.25% to 10.30%	1 to 72 installments of monthly frequency	40,005.80
48-60 Months	9.00% to 10.25%	1 to 72 installments of monthly frequency	45,937.46
Above 60 Months	9.11%	1 to 75 installments of monthly frequency	64,115.96
Total			**2,99,853.14**

20. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Total Amount
12-24 Months	7.05% to 10.65%	1 to 54 installments of monthly frequency	28,631.34
24-36 Months	8.50% to 10.55%	1 to 30 installments of monthly frequency	136,482.01
36-48 Months	10.25%	1 to 52 installments of monthly frequency	9,744.04
48-60 Months	10.25% to 10.30%	1 to 72 installments of monthly frequency	66,043.16
Above 60 Months	9.00% to 10.25%	1 to 72 installments of monthly frequency	78,305.94
Total			**3,19,206.50**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Loans repayable on demand-Secured

Cash Credit from Banks

₹ in lacs

Particulars	Rate of Interest	As at March 31, 2021	As at March 31, 2020
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.30% to 11.80%	35,847.57	48,037.90
Total		**35,847.57**	**48,037.90**

Working capital Demand loan from Banks

₹ in lacs

Particulars	Rate of Interest	As at March 31, 2021	As at March 31, 2020
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.20% to 11.05%	1,76,515.34	1,54,488.98
Total		**1,76,515.34**	**1,54,488.98**

Commercial Papers-Unsecured

₹ in lacs

Particulars	Rate of Interest	Repayment Details	As at March 31, 2021	As at March 31, 2020
Upto 12 Months	7.40% to 9.45%	Bullet Repayment	-	11,164.33
Total			**-**	**11,164.33**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

21. DEPOSITS

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Deposits								
Public deposits	5,52,881.69	-	-	5,52,881.69	4,01,206.80	-	-	4,01,206.80
Recurring deposits	7.09	-	-	7.09	-	-	-	-
Total	**5,52,888.78**	**-**	**-**	**5,52,888.78**	**4,01,206.80**	**-**	**-**	**4,01,206.80**

Deposits issued to directors : Nil (March 31, 2020: Nil)

Details of Public Deposits - Unsecured

Terms of Repayment as at March 31, 2021

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
Upto 12 months	65,754.95	97,205.09	-	1,62,960.04
12-24 months	23,585.51	1,22,138.47	-	1,45,723.98
24-36 months	17,871.37	1,17,186.77	-	1,35,058.15
36-48 months	775.24	43,779.59	-	44,554.83
48-60 months	-	64,584.70	-	64,584.70
Total	**1,07,987.07**	**4,44,894.62**	**-**	**5,52,881.69**

Terms of Repayment as at March 31, 2020

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
Upto 12 months	73,326.28	48,075.09	82.00	1,21,483.37
12-24 months	12,598.21	88,697.07	-	1,01,295.28
24-36 months	9,590.74	1,10,306.60	-	1,19,897.34
36-48 months	1,014.82	18,843.11	-	19,857.93
48-60 months	-	38,672.87	-	38,672.87
Total	**96,530.05**	**3,04,594.75**	**82.00**	**4,01,206.80**

21. DEPOSITS (Contd.)

Details of Recurring deposits - Unsecured

Terms of Repayment as at March 31, 2021

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
Upto 12 months	2.10	-	-	2.10
12-24 months	0.49	-	-	0.49
24-36 months	-	0.70	-	0.70
36-48 months	-	0.05	-	0.05
48-60 months	-	3.75	-	3.75
Total	**2.59**	**4.50**	**-**	**7.09**

Terms of Repayment as at March 31, 2020

Outstanding as at March 31, 2020 : Nil

22. SUBORDINATED LIABILITIES

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Subordinated Debts (Unsecured)	-	-	-	-	23,923.91	-	-	23,923.91
Total	**-**	**-**	**-**	**-**	**23,923.91**	**-**	**-**	**23,923.91**
Subordinate liabilities in India	-	-	-	-	23,923.91	-	-	23,923.91
Subordinate liabilities outside India	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**23,923.91**	**-**	**-**	**23,923.91**

Terms of repayment as at March 31, 2021

Privately Placed Subordinated Debts of Rs 1,000/- Each - Unquoted: Nil

Terms of repayment as at March 31, 2020

Privately Placed Subordinated Debts of ₹ 1,000/- Each - Unquoted

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest >= 10% < 12%	Total
Upto 12 months*	23,923.91	23,923.91
Total	**23,923.91**	**23,923.91**

* Includes ₹ 4.70 lacs issued to related parties

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

23. OTHER FINANCIAL LIABILITIES

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Investor education and protection fund shall be credited by the following amounts (as and when due) #		
- Unpaid dividend	86.42	92.88
- Unclaimed matured deposits and interest thereon	6,156.82	10,983.54
- Unclaimed matured debentures and interest thereon	573.98	756.45
- Unclaimed matured subordinate debts and interest accrued thereon	2,059.81	5,486.68
Payable on account of Assignment	1,587.76	6,992.62
Royalty payable	1,641.31	1,554.29
Financial guarantee obligation	-	117.13
Creditors for Supply & Services	353.48	184.99
Employee related payables	5,005.11	5,702.66
Lease Liability	16,757.24	15,977.38
COVID-19 Ex-gratia relief Payable	140.10	-
Dividend payable*	6,600.50	-
Total	**40,962.53**	**47,848.62**

There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF)

* Represents Interim dividend declared on March 26, 2021 which is payable to the shareholders whose names appeared on the register of members as at April 7, 2021 being record date. This second interim dividend was paid to shareholders on April 19, 2021.

Financial Guarantee Obligation

Credit quality of exposure

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Financial guarantee obligation	-	2,500.00
Total	**-**	**2,500.00**

23. OTHER FINANCIAL LIABILITIES (Contd.)

An analysis of changes in the gross carrying amount in relation to financial guarantee exposure is, as follows:

Gross exposure reconciliation

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance of outstanding exposure	**2,500.00**	**2,500.00**
Additions	-	-
Deletions	2,500.00	-
Closing Balance of outstanding exposure	**-**	**2,500.00**

No ECL has been provided for financial guarantee obligation based on past history.

Lease Liability

As at March 31, 2021

₹ in lacs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on April 1, 2020)	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the period	Payment of lease Liabilities during the year	Rent Lease Concession	Amount of Lease Liabilities as on March 31, 2021
Office Premises	15,977.38	6,147.24	1,008.76	1,718.12	5,644.23	432.51	16,757.24

As at March 31, 2020

₹ in lacs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on April 1, 2019)	Recognised on transition as on April 1, 2019 of IND As 116 - Leases	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the period	Payment of lease Liabilities during the year	Amount of Lease Liabilities as on March 31, 2020
Office Premises	-	15,467.61	5,215.62	625.93	1,610.59	5,690.52	15,977.38

The table below provides details regarding the contractual maturities of lease liabilities as on March 31, 2021

₹ in lacs

Particulars	As at March 31, 2021		As at March 31, 2020	
	Undiscounted Basis	Discounted Basis	Undiscounted Basis	Discounted Basis
Not later than one year	5,591.36	4,128.59	5,525.59	4,138.94
Later than one year but not later than five years	12,141.59	9,314.95	11,851.56	9,417.04
Later than 5 years	3,840.74	3,313.70	2,841.87	2,421.40
Total	**21,573.69**	**16,757.24**	**20,219.02**	**15,977.38**

Qualitative Disclosures - Lease Liability:

The leased building are used to carry out business operations and related support activities. The future cash outflows on lease payments are fixed in nature, subject to escalations. The lease agreements tenor extensions and termination conditions are subject to respective lease agreements. No restrictions or covenants are imposed by lease agreements.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

24. PROVISIONS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
For Employee benefit		
- Gratuity	-	1,133.36
- Provision for compensated absences	2,413.52	2,761.66
For Others		
- Undrawn loan commitment	217.73	31.77
Total	**2,631.25**	**3,926.79**

Loan Commitment

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 47.2 along policies on whether ECL allowances are calculated on an individual or collective basis.

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
	Stage 1 Collective	Stage 1 Collective
Internal Rating Grade		
Performing		
High Grade	5,378.39	691.57
Total	**5,378.39**	**691.57**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Stage 1	Stage 1
Opening balance of outstanding exposure	**691.57**	**-**
New exposures	5,378.39	691.57
Exposures derecognised or matured/repaid (excluding write offs)	(691.57)	-
Closing balance of outstanding exposure	**5,378.39**	**691.57**

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Stage 1	Stage 1
ECL allowance - opening balance	**31.77**	**-**
New exposures	217.73	31.77
Exposures derecognised or matured/repaid (excluding write offs)	(31.77)	-
ECL allowance - closing balance	**217.73**	**31.77**

25. OTHER NON-FINANCIAL LIABILITIES

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	2,246.33	2,155.19
Retention money and other sundry liabilities	26.39	37.08
Total	**2,272.72**	**2,192.27**

26. EQUITY SHARE CAPITAL

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised:		
1,18,500,000 (March 31, 2020: 1,18,500,000) equity shares of ₹ 10/- each	11,850.00	11,850.00
40,00,000 (March 31, 2020: 40,00,000) cumulative redeemable preference shares of ₹ 100/- each	4,000.00	4,000.00
Total	**15,850.00**	**15,850.00**
Issued share capital		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Subscribed share capital		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Paid up (fully paid up)		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Total Equity	**6,600.50**	**6,600.29**
Issued, Subscribed and fully paid up Equity Shares		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Total Equity	**6,600.50**	**6,600.29**

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the period

Particulars	No. of Shares	₹ in lacs
As at April 1, 2019	**6,59,92,317**	**6,599.23**
Issued during the year	10,605	1.06
As at March 31, 2020	**6,60,02,922**	**6,600.29**
Issued during the year	2,100	0.21
As at March 31, 2021	**6,60,05,022**	**6,600.50**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

26. EQUITY SHARE CAPITAL (Contd.)

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting. During the year ended March 31, 2021, the amount of per equity share dividend proposed in total for distributions to equity shareholders is ₹ 33.00 (March 31, 2020 : ₹ 6.00). Out of the said total dividend proposed for the year ended March 31, 2021, amount of interim dividend paid during the year was ₹ 20.00 (March 31, 2020 : ₹ 6.00) per equity share and amount of final dividend proposed by the Board of Directors is ₹ 13.00 (March 31, 2020: Nil) per equity share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 77,870 (March 31, 2020 : 97,310) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP), wherein a part of the consideration was received in form of employee service.

d. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Shriram Capital Limited	2,23,71,594	33.89%	2,23,71,594	33.89%
Dynasty Acquisition FPI Limited	1,34,21,889	20.33%	1,34,21,889	20.34%
Piramal Enterprises Limited	65,79,840	9.97%	65,79,840	9.97%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders/members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Refer note 45 - Capital for the Company's objectives, policies and processes for managing capital

27. OTHER EQUITY

₹ in lacs

Particulars	Amount
Securities Premium Account	
As at April 01, 2019	**1,75,492.24**
Add: Premium on shares issued under Employee Stock Option Plan	26.67
As at March 31, 2020	**1,75,518.91**
Add: Premium on shares issued under Employee Stock Option Plan	5.28
As at March 31, 2021	**1,75,524.19**
Share Option Outstanding	
As at April 01, 2019	**53.37**
Less: Adjustment on Exercise of Employee Stock Option Plan	(24.02)
As at March 31, 2020	**29.35**
Add: Expenses on Employee Stock Option Plan (Refer Note No. 38)	1,847.93
Less: Adjustment on Exercise of Employee Stock Option Plan	(4.76)
As at March 31, 2021	**1,872.52**
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at April 01, 2019	**1,08,411.30**
Add: Amount transferred from Retained Earnings	20,020.00
As at March 31, 2020	**1,28,431.30**
Add: Amount transferred from Retained Earnings	20,490.00
As at March 31, 2021	**1,48,921.30**
Debenture Redemption Reserve (DRR)	
As at April 01, 2019	**2,844.29**
Add: Amount transferred from Retained Earnings	2,930.90
Less: Amount transferred to General Reserve on redemption of debentures	(2,911.54)
Less: Amount transferred to General Reserve as DRR is not required vide MCA notification dated August 16, 2019	(2,863.65)
As at March 31, 2020	**-**
Add: Amount transferred from Retained Earnings	-
Less: Amount transferred to General Reserve on redemption of debentures	-
As at March 31, 2021	**-**
General Reserve	
As at April 01, 2019	**85,339.27**
Add: Amount transferred from Retained Earnings	10,010.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	2,911.54
Add: Amount transferred from Debenture Redemption Reserve as DRR is not required vide MCA notification dated August 16, 2019	2,863.65
As at March 31, 2020	**1,01,124.46**
Add: Amount transferred from Retained Earnings	10,250.00
As at March 31, 2021	**1,11,374.46**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

27. OTHER EQUITY (Contd.)

₹ in lacs

Particulars	Amount
Capital Reserve	
As at April 01, 2019	**7,871.88**
As at March 31, 2020	**7,871.88**
As at March 31, 2021	**7,871.88**
Capital Redemption Reserve	
As at April 01, 2019	**2,328.98**
As at March 31, 2020	**2,328.98**
As at March 31, 2021	**2,328.98**
Other Comprehensive Income	
As at April 01, 2019	**(732.67)**
Remeasurement gain/ (loss) on defined benefit plan	(340.60)
Gain/(Loss) on Fair valuation of quoted investments in equity shares	(664.10)
Income Tax Provision/ (Reversal) on above	115.51
As at March 31, 2020	**(1,621.86)**
Remeasurement gain/ (loss) on defined benefit plan	1,178.74
Gain/(Loss) on Fair valuation of quoted investments in equity shares	768.97
Income Tax Provision/ (Reversal) on above	(632.84)
As at March 31, 2021	**(306.99)**
Retained Earnings	
As at April 01, 2019	**2,50,924.56**
Add: Profit for the year	1,00,052.00
Add/(Less): Appropriations and other Adjustments	
Transfer to Debenture Redemption Reserve	(2,930.90)
Final Dividend on Equity Shares FY 2018-19	(10,559.22)
Tax on Final Dividend on Equity Shares FY 2018-19	(2,170.48)
Interim Equity Dividend FY 2019-20	(3,959.76)
Tax on Interim Dividend on Equity Shares FY 2019-20	(813.94)
Transfer to Statutory Reserve	(20,020.00)
Transfer to General reserve	(10,010.00)
As at March 31, 2020	**3,00,512.26**
Add: Profit for the year	1,01,094.42
Add/(Less): Appropriations and other Adjustments	
Interim Equity Dividend FY 2020-21	(13,200.93)
Transfer to Statutory Reserve	(20,490.00)
Transfer to General reserve	(10,250.00)
As at March 31, 2021	**3,57,665.75**
Total other equity	
As at April 01, 2019	**6,32,533.22**
As at March 31, 2020	**7,14,195.28**
As at March 31, 2021	**8,05,252.09**

27. OTHER EQUITY (Contd.)

Proposed Dividend on equity shares

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
The Board proposed dividend on equity shares		
Proposed dividend on equity shares for the year ended on March 31, 2021: ₹ 13.00 (March 31, 2020: Nil) per share	8,580.65	-
Total	**8,580.65**	**-**

Nature and purpose of reserves

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

Debenture Redemption Reserve: Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture Redemption Reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date. In respect of the debentures issued through public issue, the Company is not required to create DRR vide MCA notification dated August 16 ,2019. The Company has deposited a sum of Nil (March 31, 2020: Nil) with scheduled banks, as there are no debentures issued through public issue, which were due for redemption during the year.

General Reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory Reserve: Every year the Company transfers a of sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal. Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

27. OTHER EQUITY (Contd.)

(3) Notwithstanding anything contained in sub-section (1) the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order.

Provided that no such order shall be made unless the amount in te reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Other Comprehensive Income: Other comprehensive income consists of remeasurement of net defined benefit liability/ asset, FVTOCI financial liabilities and financial assets and currency translation.

Share Option Outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 38 for further details of these plans.

28. INTEREST INCOME

₹ in lacs

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Interest income on Financial Assets classified at FVTPL	Total	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Interest income on securities classified at FVTPL	Total
Interest on Loans	-	5,42,044.23	-	5,42,044.23	-	5,59,283.18	-	5,59,283.18
Interest income from investments	-	2,799.65	-	2,799.65	-	2,827.05	-	2,827.05
Interest on deposits with Banks								
- Margin money deposit	-	4,163.87	-	4,163.87	-	2,384.22	-	2,384.22
- Other deposits	-	8,144.84	-	8,144.84	-	5,221.38	-	5,221.38
Interest on Others	-	3.27	-	3.27	-	-	-	-
Total	**-**	**5,57,155.86**	**-**	**5,57,155.86**	**-**	**5,69,715.83**	**-**	**5,69,715.83**

29. FEE AND COMMISSION INCOME

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income from commission services	3,066.09	781.98
Income from collection services	236.97	571.45
Income from other services	1,301.56	-
Unwinding of financial guarantee obligation	117.13	15.65
Total	**4,721.75**	**1,369.08**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Type of Services or Service		
Fee and commission income	4,604.62	1,353.43
Total revenue from contract with customers	**4,604.62**	**1,353.43**
Geographical markets		
India	4,604.62	1,353.43
Outside India	-	-
Total revenue from contract with customers	**4,604.62**	**1,353.43**
Timing of revenue recognition		
Services transferred at a point in time	3,414.15	1,353.43
Services transferred over time	1,190.47	-
Total revenue from contracts with customers	**4,604.62**	**1,353.43**

Contract Balance

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Trade Receivables	239.62	93.12
Less: Impairment loss allowances	(9.63)	(3.36)
Net Trade Receivables	**229.99**	**89.76**
Contract Assets	-	-
Total	**229.99**	**89.76**

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

30. NET GAIN/(LOSS) ON FAIR VALUE CHANGES

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	131.95	320.34
- Derivatives	-	(81.61)
Total Net gain/(loss) on fair value changes	**131.95**	**238.73**
Fair Value changes		
- Realised	-	1,309.64
- Unrealised	131.95	(1,070.91)
Total Net gain/(loss) on fair value changes	**131.95**	**238.73**

31. FINANCE COST

₹ in lacs

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest expense on						
Fixed Deposits	-	42,630.98	42,630.98	-	31,490.80	31,490.80
Subordinated liabilities	-	612.93	612.93	-	5,619.14	5,619.14
Borrowings (other than debt securities)						
- Loans from Banks	-	73,250.09	73,250.09	-	85,793.17	85,793.17
- Loans from Financial Institution/ NBFC	-	10,854.27	10,854.27	-	6,054.09	6,054.09
- Loans from Financial Institution/ NBFC-Securitisation	-	27,114.83	27,114.83	-	21,336.22	21,336.22
- Loans from Banks- Securitisation	-	4,295.51	4,295.51	-	1,208.38	1,208.38
- Working Capital Demand Loans	-	15,947.32	15,947.32	-	13,624.44	13,624.44
- Cash Credit	-	1,922.69	1,922.69	-	4,012.56	4,012.56
- Commercial Paper	-	35.67	35.67	-	7,327.90	7,327.90
Debt securities	-	34,839.48	34,839.48	-	35,874.20	35,874.20
Interest on Tax Liability	-	89.02	89.02	-	83.19	83.19
Interest on Defined Benefit Plans	-	77.52	77.52	-	10.18	10.18
Finance Cost on Lease liability		1,718.12	1,718.12	-	1,610.59	1,610.59
Total	**-**	**2,13,388.43**	**2,13,388.43**	**-**	**2,14,044.86**	**2,14,044.86**

32. IMPAIRMENT ON FINANCIAL INSTRUMENTS

₹ in lacs

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
Loans and advances to customers	-	107.68	107.68	-	11,750.41	11,750.41
Others						
- Undrawn Commitments	-	185.96	185.96	-	31.77	31.77
- Trade receivables	-	6.27	6.27	-	3.36	3.36
- Assignment Receivables	-	(20.65)	(20.65)	-	62.32	62.32
- Investment Through PTC	-	6.47	6.47	-	-	-
Total	**-**	**285.73**	**285.73**	**-**	**11,847.86**	**11,847.86**

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Year ended March 31, 2021

₹ in lacs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	4,441.80	5,470.43	(9,804.56)	-	-	107.68
Others						
- Undrawn Commitments	185.96	-	-	-	-	185.96
- Trade receivables	-	-	-	-	6.27	6.27
- Assignment Receivables	-	-	-	-	(20.65)	(20.65)
- Investment Through PTC	-	-	-	-	6.47	6.47
Total impairment loss	**4,627.76**	**5,470.43**	**(9,804.56)**	**-**	**(7.91)**	**285.73**

Year ended March 31, 2020

₹ in lacs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	24,764.15	(10,314.53)	(2,699.21)	-	-	11,750.41
Others						
- Undrawn Commitments	31.77	-	-	-	-	31.77
- Trade receivables	-	-	-	-	3.36	3.36
- Assignment Receivables	-	-	-	-	62.32	62.32
Total impairment loss	**24,795.92**	**(10,314.53)**	**(2,699.21)**	**-**	**65.68**	**11,847.86**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

33. EMPLOYEE BENEFIT EXPENSES

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, other allowances and bonus	67,880.14	77,589.19
Contribution to provident and other funds	4,830.88	5,387.96
Staff welfare expenses	1,101.34	1,187.72
Gratuity expenses	705.78	602.23
Share based payments to employees	1,847.93	-
Total	**76,366.07**	**84,767.10**

34. DEPRECIATION, AMORTISATION AND IMPAIRMENT

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of tangible assets	2,551.12	2,900.52
Amortisation of intangible assets	138.15	135.01
Amortisation on right of use assets	5,294.87	5,180.26
Total	**7,984.14**	**8,215.79**

35. OTHER EXPENSES

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Power and fuel	814.49	993.93
Repairs and maintenance		
- Buildings	1,108.89	1,197.71
-Office equipments	38.84	45.64
Office expenses	1,501.86	1,341.86
Rates and taxes	1,460.84	1,903.40
Printing and stationery	1,692.62	2,820.11
Travelling and conveyance	1,834.56	3,853.89
Advertisement	292.09	608.05
Business promotion	4,640.93	4,547.28
Directors' sitting fees	41.97	36.24
Insurance	436.69	403.37
Communication expenses	2,345.57	2,935.36
Bank charges	1,586.11	1,551.59
Legal and Professional Fees	1,159.24	1,085.24
Loss on sale of Property, plant and equipment	12.12	33.19
Public issue expenses for non-convertible debentures	-	0.83
CSR expenses	2,195.23	1,036.39
Miscellaneous expenses	1,045.03	1,843.87
Auditor fees		
(a) Audit Fees	39.57	39.57
(b) Tax Audit Fees	6.59	6.59
(c) Certification Fees	9.86	6.70
(d) Out of Pocket	0.58	9.21
Total	**22,263.68**	**26,300.02**

Details of CSR expenditure:

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Gross amount required to be spent by the Company during the year	2,617.31	2,281.33
b) Amount spent during the year	2,195.23	1,036.39
(On purposes Other than construction/acquisition of any asset)	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

36. INCOME TAX

The components of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are:

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	46,219.68	34,240.38
Income tax of earlier years	-	1,324.24
Deferred tax relating to origination and reversal of temporary differences	(8,375.35)	(116.52)
Total tax charge	**37,844.33**	**35,448.10**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and March 31, 2020 is, as follows:

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	1,38,938.75	1,35,500.10
At India's statutory income tax rate of 25.168% (March 31, 2020: 25.168%)	34,968.09	33,838.89
Tax at special rate on Capital Gain of Nil (March 31, 2020: ₹ 1,048.04 lacs @ 22.88%)	-	239.79
Total Tax	**34,968.09**	**34,078.69**
Corporate social responsibility expenditure not allowable for tax purpose	552.50	260.84
Deduction under chapter VIA of the Income Tax Act, 1961 (2019:section 80G and 80JJAA)	(198.92)	(384.33)
Income tax of earlier year	-	1,324.24
Tax impact of Bonus payable to employees allowable on payment basis	1,035.22	415.71
Others	1,487.46	(247.05)
Income tax expense reported in the statement of profit or loss	**37,844.33**	**35,448.10**
Effective income tax rate %	27.24	26.16

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Property, plant and equipment and intangible assets	1,820.79	-	(98.22)	-
Net Right to use Asset and future rent liability	286.62	-	(163.29)	-
Expenses allowable for tax purpose when paid	1,072.52	-	961.59	439.31
EIR impact on debt instrument measured at Amortised Cost	44.41	25.43	(113.69)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	48.14	58.90	33.21	193.53
Impact of amortisation of processing fees on Loans and Advances	292.82	-	144.28	-
Provision for Impairment of Financial Assets at amortised cost	9,090.12	-	(9,090.12)	-
Other temporary differences	244.19	-	(49.11)	-
Total	**12,899.61**	**84.33**	**(8,375.35)**	**632.84**

36. INCOME TAX (Contd.)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Property, plant and equipment and intangible assets	1,722.57	-	470.77	-
Net Right to use Asset and future rent liability	123.33	-	(123.33)	-
Expenses allowable for tax purpose when paid	2,473.42	-	(249.48)	51.63
EIR impact on debt instrument measured at Amortised Cost	-	94.71	(313.64)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	241.67	25.69	(347.11)	(167.14)
Impact of amortisation of processing fees on Loans and Advances	437.10	-	540.62	-
Other temporary differences	224.57	29.49	(94.35)	-
Total	**5,222.66**	**149.89**	**(116.52)**	**(115.51)**

Amount recognised in respect of current tax/ deferred tax directly in equity:

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Amount recognised in respect of current tax/ deferred tax directly in equity	-	-

Tax losses and Tax credits

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Unused Capital Gains tax losses for which no deferred tax asset has been recognised	-	-
Unused Tax Credits-MAT credit entitlement	-	-

Current Tax Assets (Net)

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax (net of provision for tax) [provision for income tax March 31, 2021: ₹ 3,65,826.04 lacs March 31, 2020: ₹ 3,19,606.36 lacs]	4,502.79	13,069.56
Total	**4,502.79**	**13,069.56**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

37. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares and issue of Employee Stock Options.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net Profit after tax as per Statement of Profit and Loss (₹ in lacs) (A)	1,01,094.42	1,00,052.00
Weighted average number of equity shares for calculating basic earnings per share (₹ in lacs) (B)	660.04	659.97
Effect of dilution:		
Stock options granted under ESOP (Nos. in lacs)	1.54	0.13
Weighted average number of equity shares for calculating diluted earnings per share (₹ in lacs) (C)	661.58	660.10
Earnings per share		
Basic earnings per share (₹) (A/B)	153.16	151.60
Diluted earnings per share (₹) (A/C)	152.81	151.57

38. EMPLOYEE STOCK OPTION PLAN

38.1 EMPLOYEE STOCK OPTION PLAN (2006)

The Company provides share-based payment schemes to its Employees. There are two ongoing Employee stock option schemes:-

SCUF EMPLOYEE STOCK OPTION SCHEME 2006

38.1.1. This employee equity-settled compensation scheme known as Shriram City Union Finance Limited Employees Stock Option Scheme 2006 ("SCUF ESOP Scheme 2006" or the "Scheme"). The scheme is approved and authorised by the shareholders of the Company at the Extra Ordinary General Meeting held on October 30, 2006.

Under the said scheme the Board of Directors has granted following number of options to eligible employees of the Company.

Particulars	Grant Date	No of Options Granted
Series I	October 19, 2007	13,55,000

The option shall vest in the hands of the Option holder after a minimum period of 12 months from the date of grant of option or such longer period as may be determined by the Committee subject to the condition that the Option grantee continues to be an employee of the Company and the performance or other conditions as may be determined by the Committee. The maximum period of vesting shall be 5 years from the date of grant.

The options vested shall be exercised within period of ten years from the vesting date. When exercisable, each option is convertible into one equity share. Any option granted shall be exercisable according to the terms and conditions as determined by the Scheme.

38. EMPLOYEE STOCK OPTION PLAN (Contd.)

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	Weighted Average exercise price per share per option ₹	Number of Options	Weighted Average exercise price per share per option ₹	Number of Options
Outstanding at the beginning of the period	35	12,960	35	23,565
Granted during the period	-	-	-	-
Exercised during the period	35	2,100	35	10,605
Forfeited during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	35	10,860	35	12,960
Weighted average share price *	953.84	-	1,407.69	-
Weighted average remaining contractual life of options outstanding at the end of the year	-	0.55	-	1.55

* based on market price on National Stock Exchange Limited where maximum volume of the shares of the Company were traded during the year

38.1.2. Fair value of the options granted:

The Company has recorded employee stock-based compensation expense relating to the options granted to the employees on the basis of fair value of options.

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grants under the Scheme is as under;

Particulars	Series I			
Grant Date	October 19, 2007	October 19, 2007	October 19, 2007	October 19, 2007
Vesting Date	10% of grant on October 19, 2008	20% of grant on October 19, 2009	30% of grant on October 19, 2010	40% of grant on October 19, 2011
Exercise Price (in ₹)	35	35	35	35
Fair value of option (in ₹)	227.42	227.42	227.42	227.42
Input Variables:				
Standard deviation (Volatility)	55.36%	55.36%	55.36%	55.36%
Risk-free rate	7.70%	7.67%	7.66%	7.67%
Time to maturity (in years)	1.5	2.5	3.5	4.5
Expected Dividend per annum (₹)	3	3	3	3
Dividend yield	0.84%	0.84%	0.84%	0.84%

38.2 EMPLOYEE STOCK OPTION PLAN (2013)

38.2.1 This employee equity-settled compensation scheme known as **Shriram City Union Finance Limited Employees Stock Option Scheme 2013** ("SCUF ESOP Scheme 2013" or the "Scheme"). The scheme is approved and authorised by the shareholders of the Company at the Extraordinary General Meeting held on May 31, 2013.

Under the said scheme the Nomination and Remuneration Committee of the Board of Directors has granted following number of options on various dates to eligible employees of the Company.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

38. EMPLOYEE STOCK OPTION PLAN (Contd.)

Particulars	Grant Date	No. of Options Granted
Grant I	August 11, 2020	3,00,221
Grant II	November 2, 2020	3,00,030
Grant III	January 29, 2021	3,15,396

The options shall vest in the hands of the Option holder after a minimum period of 12 months from the date of grant of option or such longer period as may be determined by the Committee subject to the condition that the Option grantee continues to be an employee of the Company and the performance or other conditions as may be determined by the Committee. The maximum period of vesting shall be 5 years from the date of grant.

The options vested shall be exercised within period of ten years from the vesting date. When exercisable, each option is convertible into one equity share. Any option granted shall be exercisable according to the terms and conditions as determined by the Scheme.

Particulars	Year ended 31 March 2021	
	Weighted Average exercise price per share per option ₹	Number of Options
Outstanding at the beginning of the period	-	-
Granted during the period	300	9,15,647
Exercised during the period	-	-
Forfeited during the period	300	5,194
Expired during the period	-	-
Outstanding at the end of the period	**300**	**9,10,453**
Weighted average share price*	Not Applicable	Not Applicable
Weighted average remaining contractual life of options outstanding at the end of the year	-	10.6

* Weighted average share price disclosure is not applicable since share options are not exercised during the year.

All outstanding options are yet to be vested and as such are not exercisable as on March 31, 2021.

38.2.2 Fair value of the options granted:

The Company has recorded employee stock-based compensation expense relating to the options granted to the employees on the basis of fair value of options.

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grants under the Scheme is as under;

Particulars	Grant I	Grant II	Grant III
Grant Date	11-Aug-20	2-Nov-20	29-Jan-21
Vesting Date	11-Aug-21	2-Nov-21	29-Jan-22
Exercise Price (in ₹)	300	300	300
Fair value of option (in ₹)	399.2	560.18	756.39
Input Variables:			
Share price as on grant date (in ₹)	661.8	822.75	1018.7
Standard deviation (Volatility)	38.28%	44.52%	47.21%
Risk-free rate	5.85%	5.88%	6.20%
Time to maturity (in years)	2	2	2
Expected Dividend per annum (in ₹)	20	25	30
Dividend yield	3%	3%	3%

38. EMPLOYEE STOCK OPTION PLAN (Contd.)

Since the SCUF ESOP scheme 2013 is already recorded by applying fair value method, the disclosure required under para 48 of guidance note on "Accounting for Employees Share Based Payments" issued by ICAI for reconciling the impact on net profit and earnings per share is not required.

38.2.3 Rationale for the variables used :

The variables used for calculating the fair values and their rationale are as follows:

A. Stock Price

The latest available closing market price on the National Stock Exchange (NSE) prior to date on which options are granted has been considered for the purpose of valuation.

Under the ESOP Plan of the Company, one option entitles an employee to one equity share of the Company.

B. Volatility

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.

The period to be considered for volatility must be adequate to represent a consistent trend in the price movements. Accordingly, the annualised volatility has been computed based on the share price data of past one year, from the date of the valuation.

The fair value is very sensitive to this variable. Higher the volatility, higher is the fair value. The rationale being, the more volatile a stock is, the more is its potential to go up (or come down), and the more is the probability to gain from the movement in the price. Accordingly, an option to buy a highly volatile stock is more valuable than the one to buy a less volatile stock, since the probability of gaining is lesser in the latter case.

C. Risk free interest rate

The risk-free interest rate being considered for the calculation is the interest rate applicable on government securities – having 10 year maturity period.

D. Exercise price

We have considered the exercise price of the options granted to employees based on the Scheme approved by the Board of Directors.

E. Time to maturity / expected life of options

Time to maturity / expected life of options is the period from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised and maximum life is the period after which the options cannot be exercised.

Considering the deep discount on the market price i.e. 55% to 70%, it is expected that the options will be exercised in 1 year from the vesting date. As such the average expected life of options is considered at 2 years.

Effect of the employee share-based payment plans on the profit and loss account and on its financial position

The Company has recorded employee stock-based compensation cost of ₹ 1,847.93 lacs in the Statement of Profit and Loss for the year ended March 31, 2021 (March 31, 2020: Nil).

The share option outstanding in the Balance Sheet as at March 31, 2021 is ₹ 1,872.52 lacs (March 31, 2020: 29.35 lacs)

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

39. INVESTMENT IN SUBSIDIARY

Name of the subsidiary	Country of Incorporation	Principal place of business	Principal activities	For the year ending	No. of Equity Shares Held (FV of ₹ 10 /- each)	% of equity interest
Shriram Housing Finance Limited	India	Mumbai	Housing Finance	March 31, 2021	16,54,40,000	77.25%
				March 31, 2020	16,54,40,000	77.25%

40. RETIREMENT BENEFIT PLAN

Defined Contribution Plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The Company makes Provident Fund, Employee State Insurance Scheme contributions, National Pension scheme contributions and Labour welfare Fund contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 3,745.45 lacs (March 31, 2020: ₹ 4,068.99 lacs) for Provident Fund contributions, ₹ 1,011.95 lacs (March 31, 2020: ₹ 1,235.21 lacs) for Employee State Insurance Scheme contributions, ₹ 11.88 lacs (March 31, 2020: ₹ 13.16 lacs) for Labour welfare Fund contributions and ₹ 50.20 lacs (March 31, 2020: ₹ 56.20 lacs) for National Pension scheme in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972 (the Act). Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers. Each year the level of funding in the gratuity plan is reviewed. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The contribution is decided based on the results of annual review. Generally, it aims to have a portfolio mix of equity instruments, property and debt instruments. Generally equity instruments and property should not exceed 30% of total portfolio. The Aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

Risk associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following Risks:

Interest Risk: A fall in the discount rate which is linked to the Govt. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of the Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

40. RETIREMENT BENEFIT PLAN (Contd.)

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

Compensated absences

The Company has a policy on compensated absences which is accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using Projected Unit Credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Company Recognised/(Reversed) expense amounting to ₹ (88.34) lacs (March 31, 2020: ₹641.42 lacs) for Leave encashment.

The Following Table Summarises the components of net benefit expense recognised in statement of profit and loss and funded status and amounts recognised in balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current Service Cost	705.78	602.23
Interest expense	397.87	365.01
Interest Income	(320.35)	(354.82)
Past service cost	-	-
Components of defined benefit costs recognised in profit or loss (A)	**783.30**	**612.41**
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(63.24)	(16.35)
actuarial changes arising from changes in demographic assumptions	19.71	(12.69)
actuarial changes arising from changes in financial assumptions	(873.77)	170.48
Experience adjustments	(261.45)	199.17
Components of defined benefit costs recognised in other comprehensive income (B)	**(1,178.74)**	**340.61**
Total (A+B)	**(395.44)**	**953.02**

Movement in the present value of the defined benefit obligation are as follows :

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	5,816.83	4,809.03
Expenses recognised in the statement of profit and loss:		
Current Service Cost	705.78	602.23
Interest expense/(income)	397.87	365.01
Recognised in other comprehensive income remeasurement (gains)/Loss.	(1,115.50)	356.95
Past service cost	-	-
Net Liabilities transferred out/ Divestments	(13.48)	46.21
Benefits paid from the fund	(389.47)	(362.60)
Present value of defined obligation at the end of the year	**5,402.03**	**5,816.83**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

40. RETIREMENT BENEFIT PLAN (Contd.)

Change in the Fair value of plan assets :

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the year	**4,683.46**	**4,674.89**
Interest Income	320.35	354.82
Contributions by the Employer	2,200.00	-
Benefits paid from the fund	(389.47)	(362.60)
Return on plan assets excluding interest income	63.24	16.35
Fair value of plan assets at the end of the year	**6,877.58**	**4,683.46**

Calculation of benefit liability/(asset) :

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation	5,402.03	5,816.83
Fair value of plan assets	6,877.58	4,683.46
Benefit liability/ (Deposit with Gratuity Fund in excess of obligation)	**(1,475.55)**	**1,133.37**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Expected return on Plan assets	6.86%	6.84%
Rate of discounting	6.86%	6.84%
Expected rate of salary increase	5.00%	0% p.a for the next 1 year and 7% p.a. thereafter starting from the 2nd year
Rate of employee turnover	For service 4 years and below 27.00% p.a. For service 5 years and above 4.00% p.a	For service 4 years and below 29.00% p.a & For service 5 years and above 3.00% p.a
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Mortality rate after employment	N.A	NA

Investments quoted in active markets:

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Investment Funds	6,877.58	4,683.47
Total	**6,877.58**	**4,683.47**

40. RETIREMENT BENEFIT PLAN (Contd.)

Sensitivity Analysis

₹ in lacs

Assumptions	Discount rate		Future salary increases		Attrition rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation for FY 20-21	(486.79)	576.72	576.14	(494.25)	87.75	(101.62)
Impact on defined benefit obligation for FY 19-20	(642.39)	778.40	766.43	(598.93)	(20.35)	22.26

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity Analysis of Benefit Payments from the fund

₹ in lacs

Expected payment for future years	As at March 31, 2021	As at March 31, 2020
Within the next 12 months (next annual reporting period)	534.59	587.01
2nd following Year	338.26	223.96
3rd following Year	383.74	243.53
4th following Year	356.07	289.35
5th following Year	351.25	282.91
sum of years 6 to 10	1,724.74	1,480.38
sum of years 11 and above	9,052.02	13,404.36
Total expected payments (Undiscounted)	**12,740.68**	**16,511.51**

The Company not required to contribute to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2021 is 11 years (March 31, 2020: 14 years)

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

41. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ in lacs

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,81,528.17	-	3,81,528.17	2,09,182.78	-	2,09,182.78
Bank Balance other than above	1,22,953.17	16,954.95	1,39,908.12	97,053.53	-	97,053.53
Receivables						
- Trade Receivables	229.99	-	229.99	89.76	-	89.76
- Other Receivables	-	-	-	-	-	-
Loans	15,34,058.56	12,07,953.08	27,42,011.64	14,05,728.59	12,55,524.37	26,61,252.96
Investments	66,946.31	34,785.93	1,01,732.24	39,350.11	34,063.86	73,413.97
Other financial assets	874.43	3,379.00	4,253.43	3,513.35	3,830.33	7,343.68
Non-financial Assets						
Current tax asset	-	4,502.79	4,502.79	-	13,069.56	13,069.56
Deferred tax assets (net)	-	12,815.28	12,815.28	-	5,072.77	5,072.77
Property, plant and equipment	-	6,437.72	6,437.72	-	7,241.02	7,241.02
Other intangible assets	-	204.44	204.44	-	193.18	193.18
Right of Use Assets	-	15,618.41	15,618.41	-	15,487.33	15,487.33
Other non financial assets	1,597.74	10,157.99	11,755.73	165.21	7,859.25	8,024.46
Total assets	**21,08,188.37**	**13,12,809.59**	**34,20,997.96**	**17,55,083.33**	**13,42,341.67**	**30,97,425.00**
Liabilities						
Financial Liabilities						
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	18.90	-	18.90	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,729.05	-	6,729.05	6,077.83	-	6,077.83
Debt Securities	1,79,481.81	2,46,881.19	4,26,363.00	1,57,961.69	2,88,865.96	4,46,827.65
Borrowings (other than debt securities)	9,73,788.98	6,03,490.16	15,77,279.14	8,14,152.90	6,30,472.66	14,44,625.56
Deposits	1,62,962.13	3,89,926.65	5,52,888.78	1,21,486.63	2,79,720.17	4,01,206.80
Subordinated Liabilities	-	-	-	23,923.91	-	23,923.91
Other Financial liabilities	24,205.29	16,757.24	40,962.53	31,754.11	16,094.51	47,848.62
Non-financial Liabilities						
Provisions	2,631.25	-	2,631.25	1,603.89	2,322.90	3,926.79
Other non-financial liabilities	2,272.72	-	2,272.72	2,187.45	4.82	2,192.27
Total Liabilities	**13,52,090.13**	**12,57,055.24**	**26,09,145.37**	**11,59,148.41**	**12,17,481.02**	**23,76,629.43**
Net	**7,56,098.24**	**55,754.35**	**8,11,852.59**	**5,95,934.92**	**1,24,860.65**	**7,20,795.57**

42. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities during FY 2020-21

₹ in lacs

Particulars	As at March 31, 2020	Cash Flows	Exchange difference	Other *	As at March 31, 2021
At Amortised Cost					
Debt Securities					
- NCD Public Issue	84,955.43	918.31	-	1,050.47	86,924.21
- NCD Institutional	3,61,872.22	(18,596.05)	-	(3,837.38)	3,39,438.79
Subordinated Liabilities					
- Sub Debt Retail	23,923.91	(23,961.29)	-	37.38	-
Borrowings other than debt securities					
- Term Loan from Banks	7,89,133.69	(23,096.74)	-	(3,510.79)	7,62,526.16
- Term Loan from Institution	64,040.47	2,00,077.41	-	(186.93)	2,63,930.95
- Commercial paper	11,164.33	(11,200.00)	-	35.67	-
- Cash Credit from Banks	48,037.90	(12,190.33)	-	-	35,847.57
- Working Capital Demand Loans	1,54,488.98	22,026.36	-	-	1,76,515.34
- Term Loan from Bank- Securitisation	58,553.69	(20,225.24)	-	277.53	38,605.98
- Term Loan from financial Institution/ NBFC- Securitisation	3,19,206.50	(19,250.56)	-	(102.80)	2,99,853.14
Deposits					
- Public Deposits	4,01,206.80	1,52,815.49	-	(1,140.60)	5,52,881.69
- Recurring deposits	-	7.09	-	-	7.09
Total	**23,16,583.92**	**2,47,324.45**	**-**	**(7,377.45)**	**25,56,530.92**

* Represents adjustments on account of processing fees and other transaction cost.

Changes in liabilities arising from financing activities during FY 2019-20

₹ in lacs

Particulars	As at March 31, 2019	Cash Flows	Exchange difference	Other *	As at March 31, 2020
At Amortised Cost					
Debt Securities					
- NCD Public Issue	11,377.17	75,282.55	-	(1,704.29)	84,955.43
- NCD Institutional	3,57,312.77	6,585.83	-	(2,026.38)	3,61,872.22
Subordinated Liabilities					
- Sub Debt Retail	57,685.07	(34,033.43)	-	272.27	23,923.91
- Sub Debt Institutional	7,685.88	(7,705.28)	-	19.40	-
Borrowings other than debt securities					
- Term Loan from Banks	9,55,771.26	(1,65,566.62)	-	(1,070.95)	7,89,133.69
- Term Loan from Institution	30,593.06	33,593.25	-	(145.84)	64,040.47
- Commercial paper	1,78,583.47	(1,67,419.14)	-	-	11,164.33
- Cash Credit from Banks	1,58,186.86	(1,10,148.96)	-	-	48,037.90
- Working Capital Demand Loans	76,685.16	77,803.82	-	-	1,54,488.98
- Term Loan from Bank- Securitisation	-	59,507.38	-	(953.69)	58,553.69
- Term Loan from financial Institution/ NBFC- Securitisation	1,14,327.54	2,09,299.40	-	(4,420.44)	3,19,206.50
Deposits					
- Public Deposits	3,11,940.60	90,073.35	-	(807.15)	4,01,206.80
- Recurring deposits	-	-	-	-	-
Total	**22,60,148.84**	**67,272.16**	**-**	**(10,837.08)**	**23,16,583.92**

* Represents adjustments on account of processing fees and other transaction cost.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

43. CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent Liabilities

₹ in lacs

Particulars		As at March 31, 2021	As at March 31, 2020
a.	In respect of Income tax demands where the Company has filed appeal before various authorities	116.45	116.45
b.	VAT demand where the Company has filed appeal before various Appellate	259.95	259.95
c.	Service tax demand	8,019.29	8,019.29
d.	Guarantees given for subsidiary	-	2,500.00
Total		**8,395.69**	**10,895.69**

Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements /decisions pending with various forums/authorities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

The Company has issued a guarantee of Nil (March 31, 2020 : ₹ 2,500 lacs) for refinance obtained by subsidiary, Shriram Housing Finance Limited from NHB.

(B) Commitments not provided for

₹ in lacs

Particulars		As at March 31, 2021	As at March 31, 2020
a.	Estimated amount of contracts remaining to be executed on capital account, net of advances	302.41	295.37
b.	Commitments related to loans sanctioned but undrawn	5,378.39	691.57

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

44. RELATED PARTY DISCLOSURES

Relationship			Name of the party
(i)	Enterprises having significant influence over the Company	:	Shriram Capital Limited (SCL)
			Shriram Ownership Trust (SOT)
			Dynasty Acquisition FPI Limited (DAFL)
(ii)	Subsidiary	:	Shriram Housing Finance Limited (SHFL)
(iii)	Associates *	:	Insight Commodities and Futures Private Limited (ICFPL)
			Shriram Asset Management Company Limited (SAMCL)
			Shriram Credit Company Limited (SCCL)
			Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)
			Shriram Financial Ventures (Chennai) Private Limited (SFVPL)
			Shriram Fortune Solutions Limited (SFSL)
			Shriram General Insurance Company Limited (SGICL)
			Shriram Insight Share Brokers Limited (SISBL)
			Shriram Life Insurance Company Limited (SLICL)
			Shriram Overseas Investments Private Limited (SOIPL)
			Shriram Wealth Advisors Limited (SWAL)
			Shriram Value Services Limited (SVSL)
			Bharath Investments Pte. Limited, Singapore (BIPL)
			SGI Philippines General Insurance Co. Inc. (SGIPGICI)
			Novac Technology Solutions Private Limited (NTSPL)
			Novac Digital Services Private Limited (formerly Techfactory Services Private Limited.) (NDSPL)
			Snottor Technology Services Private Limited
			SEA Funds Management India Private Limited
			Way2wealth Insurance Brokers Private Limited
			Way2wealth Securities Private Limited
			Way2wealth Brokers Private Limited
			Way2wealth Commodities Private Limited
(iv)	Key Management Personnel	:	Sri Y.S. Chakravarti, Managing Director (Appointed w.e.f July 01, 2019)
			Sri R Duruvasan, Director (Ceased from Managing Director w.e.f June 30, 2019)
			Sri Debendranath Sarangi, Chairperson
			Sri C R Muralidharan, Director (Ceased w.e.f October 08, 2020)
			Sri Diwakar Bhagwati Gandhi, Director (Appointed w.e.f April 01, 2019)
			Sri Gerrit Lodewyk Van Heerde, Director (Ceased w.e.f. July 29, 2019)
			Smt Maya S Sinha, Director
			Sri Pranab Prakash Pattanayak, Director (Reappointed w.e.f April 01, 2019)
			Sri Ranvir Dewan, Director (Ceased w.e.f. December 02, 2019)
			Sri Shashank Singh, Director
			Sri Venkataraman Murali, Director (Reappointed w.e.f April 01, 2019)
			Sri R Chandrasekar, Chief Financial Officer
			Sri C R Dash, Company Secretary
			Sri Ignatius Michael Viljoen, Director (Appointed w.e.f July 29, 2019)

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

Relationship		Name of the party
(v) Relatives of Key Management Personnel	:	Relatives of Sri R Duruvasan, Director (Ceased from Managing Director & CEO w.e.f June 30, 2019)
		Late Sri Ayneni Ramachandra Naidu (Father)
		Late Smt Ayneni Ammayamma (Mother)
		Smt A Komaleeswari (Spouse)
		Sri Ayneni Vamshi Krishna (Son)
		Sri R Perumal (Brother)
		Smt P Padmaja (Brother's Wife)
		Smt S Usha Rani (Sister)
		Sri R Selvam (Sister's Husband)
		Relatives of Sri Y.S. Chakravarti, Managing Director & CEO (Appointed w.e.f July 01, 2019)
		Late Sri Satyanarayana Y (Father)
		Smt Rajamannar (Mother)
		Smt Sujata Yalamati (Spouse)
		Sri Sree Bhargav (Son)
		Ms Nayana Sri (Daughter)
		Smt Aruna S (Sister)
		Smt Rama Devi D (Sister)
		Sri S R Krishna (Sister's husband)
		Sri Venkateswara Rao D (Sister's husband)
		Sri M S R Choowdary (Brother of spouse)

*- The Company neither holds any shares in the above entities nor these entities hold any shares in the Company except Shriram Financial Ventures (Chennai) Private Limited (SFVPL). However these entities are "subsidiaries/ associates" of Shriram Capital Limited and hence these entities are treated as "associates" as per paragraph 9(b)(ii) of IND- AS 24 and transactions made with these entities are disclosed.

There are no transactions with relatives of Key Management Personnel for the year ended March 31, 2021.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

Related party transactions during the year

₹ in lacs

Particulars	Enterprises having significant influence over the Company		Subsidiary Company		Associates		Key Management Personnel		Total	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Payments/Expenses										
Royalty to SOT	-	3,246.30	-	-	-	-	-	-	-	3,246.30
Royalty to SVSL	-	-	-	-	6,254.89	3,170.84	-	-	6,254.89	3,170.84
Commission & Other expenses- SFPSPL	-	-	-	-	3,037.05	2,311.44	-	-	3,037.05	2,311.44
Commission & Other expenses- SFSL	-	-	-	-	3,610.18	2,800.01	-	-	3,610.18	2,800.01
Commission & Other expenses- SISBL	-	-	-	-	135.59	59.39	-	-	135.59	59.39
Commission & Other expenses- SWAL	-	-	-	-	3.59	-	-	-	3.59	-
Interest Expenses- SFPSPL	-	-	-	-	95.24	54.57	-	-	95.24	54.57
Interest Expenses- SLICL	-	-	-	-	603.84	423.72	-	-	603.84	423.72
Interest Expenses - SAMCL	-	-	-	-	63.01	5.05	-	-	63.01	5.05
Insurance - SGICL	-	-	-	-	435.22	402.08	-	-	435.22	402.08
Insurance - SLICL	-	-	-	-	486.39	577.91	-	-	486.39	577.91
IT Services & Other expenses- SVSL	-	-	-	-	-	1,339.39	-	-	-	1,339.39
Professional Charges to NTSPL	-	-	-	-	5,461.61	3,812.26	-	-	5,461.61	3,812.26
Reimbursement of Rent and other expenses- SCL	0.13	14.61	-	-	-	-	-	-	0.13	14.61
Fees to SCL	1,934.36	1,842.24	-	-	-	-	-	-	1,934.36	1,842.24
Rent and other expenses to SHFL	-	-	86.38	326.60	-	-	-	-	86.38	326.60
Payment for Assignment to SHFL	-	-	2,550.74	1,137.74	-	-	-	-	2,550.74	1,137.74
Payments to Key Managerial Personnel (MD, CFO & CS)										
Short–term employee benefits	-	-	-	-	-	-	168.50	165.12	168.50	165.12
Post–employment pension (defined contribution)	-	-	-	-	-	-	24.81	29.90	24.81	29.90
Other long term employee benefits	-	-	-	-	-	-	6.91	46.56	6.91	46.56
Directors Sitting Fees	-	-	-	-	-	-	41.97	36.24	41.97	36.24
Equity dividend to SCL	4,474.32	4,921.75	-	-	-	-	-	-	4,474.32	4,921.75
Equity dividend to DAFL	2,684.38	2,952.82	-	-	-	-	-	-	2,684.38	2,952.82

44. RELATED PARTY DISCLOSURES (Contd.)

₹ in lacs

Particulars	Enterprises having significant influence over the Company		Subsidiary Company		Associates		Key Management Personnel		Total	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Equity dividend to SFVPL	-	-	-	-	97.68	3.63	-	-	97.68	3.63
Equity dividend to KMP	-	-	-	-	-	-	1.63	1.80	1.63	1.80
Receipts/Income										
Reimbursement of expenses from SHFL	-	-	11.32	15.35	-	-	-	-	11.32	15.35
Receipt for Assignment from SHFL	-	-	-	9,784.26	-	-	-	-	-	9,784.26
Commission- SGICL	-	-	-	-	596.18	247.82	-	-	596.18	247.82
Commission - SLICL	-	-	-	-	1,570.40	458.26	-	-	1,570.40	458.26
Interest income from Financial Guarantee-SHFL	-	-	117.13	15.65	-	-	-	-	117.13	15.65
Rent Income - SFSL	-	-	-	-	14.61	15.06	-	-	14.61	15.06
Rent Income - SISBL	-	-	-	-	2.63	4.50	-	-	2.63	4.50
Rent Income - SLICL	-	-	-	-	-	3.69	-	-	-	3.69
Rent Income - SHFL	-	-	40.36	45.83	-	-	-	-	40.36	45.83
Collection Fees Income - SHFL	-	-	1.02	0.34	-	-	-	-	1.02	0.34
Electricity, Telephone and other charges Received										
Expenses reimbursement -SFSL	-	-	-	-	8.06	8.16	-	-	8.06	8.16
Expenses reimbursement -SISBL	-	-	-	-	1.89	1.56	-	-	1.89	1.56
Expenses reimbursement -SLICL	-	-	-	-	1.22	1.92	-	-	1.22	1.92
Balance outstanding as at										
Share Capital held by SCL	2,237.16	2,237.16	-	-	-	-	-	-	2,237.16	2,237.16
Share Capital held by DAFL	1,342.19	1,342.19	-	-	-	-	-	-	1,342.19	1,342.19
Share Capital held by SFVPL	-	-	-	-	48.84	1.65	-	-	48.84	1.65
Share Capital held by KMP	-	-	-	-	-	-	0.82	0.82	0.82	0.82
Interim Dividend Payable to SCL	2,237.16	-	-	-	-	-	-	-	2,237.16	-
Interim Dividend Payable to DAFL	1,342.19	-	-	-	-	-	-	-	1,342.19	-
Interim Dividend Payable to SFVPL	-	-	-	-	48.84	-	-	-	48.84	-
Interim Dividend Payable to KMP	-	-	-	-	-	-	0.82	-	0.82	-
Outstanding Payable to SCL	-	5.78	-	-	-	-	-	-	-	5.78

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

₹ in lacs

Particulars	Enterprises having significant influence over the Company		Subsidiary Company		Associates		Key Management Personnel		Total	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investment in Shares (including deemed investment) of SHFL	-	-	16,727.91	16,727.91	-	-	-	-	16,727.91	16,727.91
Security deposits with SHFL	-	-	-	275.32	-	-	-	-	-	275.32
Expenses Payable to SHFL	-	-	46.69	47.32	-	-	-	-	46.69	47.32
Receivable from SHFL	-	-	21.20	24.74	-	-	-	-	21.20	24.74
Royalty Payable to SVSL	-	-	-	-	1,641.31	1,554.29	-	-	1,641.31	1,554.29
Expenses payable to SCL	-	456.34	-	-	-	-	-	-	-	456.34
Expenses Payable to SFPSPL	-	-	-	-	269.39	80.48	-	-	269.39	80.48
Expenses Payable to SFSL	-	-	-	-	306.60	211.83	-	-	306.60	211.83
Expenses Payable to SISBL	-	-	-	-	8.13	4.39	-	-	8.13	4.39
Expenses Payable to SVSL	-	-	-	-	21.83	1.15	-	-	21.83	1.15
Expenses Payable to NTSPL	-	-	-	-	191.28	11.78	-	-	191.28	11.78
Expenses Payable to SLICL	-	-	-	-	4.36	0.03	-	-	4.36	0.03
Expenses Payable to SWAL	-	-	-	-	1.59	-	-	-	1.59	-
Outstanding Payable to SAMCL	-	-	-	-	1,052.63	153.47	-	-	1,052.63	153.47
Outstanding Payable to SFPSPL	-	-	-	-	1,044.40	1,034.77	-	-	1,044.40	1,034.77
Outstanding Payable to SLICL	-	-	-	-	6,537.11	6,444.54	-	-	6,537.11	6,444.54
Receivable from SFSL	-	-	-	-	0.16	-	-	-	0.16	-
Receivable from SGICL	-	-	-	-	33.26	86.90	-	-	33.26	86.90
Receivable from SISBL	-	-	-	-	-	1.00	-	-	-	1.00
Receivable from SLICL	-	-	-	-	102.25	0.68	-	-	102.25	0.68
Receivable from NTSPL	-	-	-	-	0.40	0.32	-	-	0.40	0.32
Receivable from SFPSPL	-	-	-	-	31.78	32.36	-	-	31.78	32.36
Receivable from SVSL	-	-	-	-	23.91	30.56	-	-	23.91	30.56

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

45. CAPITAL

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the company ensures to maintain a healthy CRAR at all the times.

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board. The Company has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards"

₹ in lacs

Regulatory capital	As at March 31, 2021*	As at March 31, 2020*
Tier 1 Capital	7,30,641.50	6,78,676.35
Tier 2 Capital	-	-
Total capital funds	**7,30,641.50**	**6,78,676.35**
Risk weighted assets	**25,51,149.04**	**24,50,549.66**
Tier 1 capital ratio	28.64%	27.69%
Tier 2 capital ratio	0.00%	0.00%
Total capital ratio	**28.64%**	**27.69%**

*calculated as per RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

"Tier I capital", "Tier II capital", "Owned fund" are calculated as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI) of India.

46. FAIR VALUE MEASUREMENT

46.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 46.3.

46. FAIR VALUE MEASUREMENT (Contd.)

46.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2021

₹ in lacs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	434.03	-	434.03
Equity instruments	9,686.10	-	-	9,686.10
Total financial assets held for trading	**9,686.10**	**434.03**	**-**	**10,120.13**
Total assets measured at fair value on a recurring basis	**9,686.10**	**434.03**	**-**	**10,120.13**

As at March 31, 2020

₹ in lacs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	302.08	-	302.08
Equity instruments	8,917.14	-	-	8,917.14
Total financial assets held for trading	**8,917.14**	**302.08**	**-**	**9,219.22**
Total assets measured at fair value on a recurring basis	**8,917.14**	**302.08**	**-**	**9,219.22**

46.3 Valuation techniques

Equity Instruments

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the net worth of the investee company.

Mutual Funds

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

Foreign exchange contracts

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

46. FAIR VALUE MEASUREMENT (Contd.)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

₹ in Lacs

Particulars	Equity instruments	
	As at March 31, 2021	As at March 31, 2020
Opening Balance	**-**	**80.04**
Purchases	-	-
Sales	-	(1,252.24)
Issuances	-	-
Settlements	-	-
Transfers into Level 3	-	-
Transfers from Level 3	-	-
Net interest income, net trading income and other income	-	1,172.20
Other comprehensive income	-	-
Closing Balance	**-**	**-**
Unrealised gains and losses related to balances held at the end of the year	**-**	**-**

46.4 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

₹ in lacs

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
	As at March 31, 2021	As at March 31, 2021		
Equity Instruments	-	-	NA	NA

₹ in lacs

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
	As at March 31, 2020	As at March 31, 2020		
Equity Instruments	-	-	NA	NA

46.5 Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, instruments classified as FVTPL would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

The table below shows data in relation to Level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

46. FAIR VALUE MEASUREMENT (Contd.)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Equity instrument	-	-	-	-

46.6 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non financial liabilities.

₹ in lacs

As at March 31, 2021	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	3,81,528.17	3,81,528.17	-	-	3,81,528.17
Bank balance other than cash and cash equivalents	1,39,908.12	1,39,908.12	-	-	1,39,908.12
Trade Receivables	229.99	-	-	229.99	229.99
Loans	27,42,011.64	-	-	27,34,662.77	27,34,662.77
Investments	91,612.11	75,386.89	43,687.54	154.53	1,19,228.96
Other financial assets	4,253.43	-	-	4,253.43	4,253.43
Total financial assets	**33,59,543.46**	**5,96,823.18**	**43,687.54**	**27,39,300.72**	**33,79,811.44**
Financial liabilities:					
Other Payables	6,747.95	-	-	6,747.95	6,747.95
Debt securities	4,26,363.00	-	4,50,674.44	-	4,50,674.44
Borrowings (other than debt securities)	15,77,279.14	-	16,11,444.38	-	16,11,444.38
Deposits	5,52,888.78	-	-	5,61,390.07	5,61,390.07
Subordinated liabilities	-	-	-	-	-
Other financial liabilities	40,962.53	-	-	40,962.53	40,962.53
Total financial liabilities	**26,04,241.40**	**-**	**20,62,118.82**	**6,09,100.55**	**26,71,219.37**

₹ in lacs

As at March 31, 2020	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	2,09,182.78	2,09,182.78	-	-	2,09,182.78
Bank balance other than cash and cash equivalents	97,053.53	97,053.53	-	-	97,053.53
Trade Receivables	89.76	-	-	89.76	89.76
Loans	26,61,252.96	-	-	26,98,555.01	26,98,555.01
Investments	64,194.75	48,166.31	38,739.91	-	86,906.22
Other financial assets	7,343.68	-	-	7,343.68	7,343.68
Total financial assets	**30,39,117.46**	**3,54,402.62**	**38,739.91**	**27,05,988.45**	**30,99,130.98**
Financial liabilities:					
Other Payables	6,077.83	-	-	6,077.83	6,077.83
Debt securities	4,46,827.65	-	4,17,301.02	-	4,17,301.02
Borrowings (other than debt securities)	14,44,625.56	-	14,54,280.78	-	14,54,280.78
Deposits	4,01,206.80	-	-	3,91,532.19	3,91,532.19
Subordinated liabilities	23,923.91	-	-	23,923.91	23,923.91
Other financial liabilities	47,848.62	-	-	47,848.62	47,848.62
Total financial liabilities	**23,70,510.37**	**-**	**18,71,581.80**	**4,69,382.55**	**23,40,964.36**

46. FAIR VALUE MEASUREMENT (Contd.)

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

46.7 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: Cash and cash equivalents, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 1 / Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.

Financial assets at amortised cost

The fair values of financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on market prices for similar instruments or on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

47. RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

47.1 Introduction and Risk Profile

47.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Audit and Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Audit and Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Audit and Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee.

The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Audit and Risk Management Committee.

47.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

47.1.3 Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Audit and Risk Management Committee and the head of each department. The Audit and Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

47. RISK MANAGEMENT (Contd,)

47.1.4 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

47.2 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 89 dpd
Non-performing	90+ dpd

47.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

47.2.2 Impairment assessment

47.2.2.1 Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

47. RISK MANAGEMENT (Contd.)

- The borrower requesting emergency funding from the Company
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A covenant breach not waived by the Company
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

47.2.2.2 PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

47.2.2.3 Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

47.2.2.4 Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

47.2.2.5 Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 47.2.2.1 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 47.2.2.6), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

47.2.2.6 Grouping financial assets measured on a collective basis

As explained in Note dependant on the factors below, the Company calculates ECLs only on a collective basis

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Gold Loans
2. Auto Loans
3. MSME Loans

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

47. RISK MANAGEMENT (Contd.)

4. Two wheeler Loans
5. Personal Loans
6. Pre-Owned Two wheeler Loans
7. Loan against Property

47.2.3 Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2021 was ₹ 3,172.52 lacs (March 31, 2020 ₹ 3,597.57 lacs)

Credit risk exposure analysis

₹ in lacs

Particulars	As at March 31, 2021				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	25,25,387.95	2,33,532.22	1,86,673.00	-	29,45,593.17
Repossessed	-	-	925.74	-	925.74
Total	**25,25,387.95**	**2,33,532.22**	**1,87,598.75**	**-**	**29,46,518.91**

₹ in lacs

Particulars	As at March 31, 2020				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	24,71,361.98	1,67,996.84	2,24,452.51	-	28,63,811.33
Repossessed	-	-	1,841.22	-	1,841.22
Total	**24,71,361.98**	**1,67,996.84**	**2,26,293.73**	**-**	**28,65,652.55**

47.3 Liquidity risk and funding management

In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month.

Borrowings from banks and financial institutions , issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

47.3.1. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

47. RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2021:

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	4,05,001.51	43,018.16	59,383.92	8,437.88	-	11,496.79	5,27,338.27
Trade Receivables	229.99	-	-	-	-	-	229.99
Loans	5,76,885.05	5,16,803.01	9,06,981.76	11,51,823.98	2,94,938.49	2,07,401.26	36,54,833.54
Financial investments at amortised cost	298.62	81.18	68,379.79	9,537.99	12.26	115.33	78,425.15
Financial investments at FVTPL	434.03	-	-	-	-	-	434.03
Financial investments at FVTOCI	-	-	-	-	-	9,686.10	9,686.10
Financial investments at Cost	45.07	40.46	56.53	25.96	-	16,727.91	16,895.93
Other Financial Assets	340.71	199.71	366.81	1,595.63	1,933.32	486.29	4,922.47
Total undiscounted financial assets	**9,83,234.97**	**5,60,142.51**	**10,35,168.81**	**11,71,421.43**	**2,96,884.07**	**2,45,913.68**	**42,92,765.47**
Financial liabilities							
Other Payables	6,747.95	-	-	-	-	-	6,747.95
Deposits	31,881.41	42,230.72	96,637.94	3,30,862.56	1,51,442.33	-	6,53,054.97
Debt securities	48,467.18	7,489.20	84,368.20	3,09,489.80	30,158.64	23,709.02	5,03,682.05
Borrowings (other than debt securities)	4,09,739.67	3,02,999.91	3,52,090.07	5,62,057.46	1,16,405.59	1,709.23	17,45,001.93
Subordinated Liabilities	-	-	-	-	-	-	-
Other Financial Liabilities	19,959.70	-	4,245.59	-	-	16,757.24	40,962.53
Total undiscounted financial liabilities	**5,16,795.91**	**3,52,719.83**	**5,37,341.81**	**12,02,409.83**	**2,98,006.57**	**42,175.48**	**29,49,449.43**
Net undiscounted financial assets/ (liabilities)	**4,66,439.06**	**2,07,422.69**	**4,97,827.00**	**(30,988.39)**	**(1,122.50)**	**2,03,738.19**	**13,43,316.05**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

47. RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2020:

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	2,13,548.88	18,699.40	78,479.42	-	-	-	3,10,727.69
Trade Receivables	89.76	-	-	-	-	-	89.76
Loans	4,94,033.84	5,28,052.99	8,28,557.77	11,75,523.91	3,75,962.40	1,72,582.72	35,74,713.63
Financial investments at amortised cost	12,794.82	81.18	27,879.79	1,519.16	8,784.54	124.52	51,184.00
Financial investments at FVTPL	302.08	-	-	-	-	-	302.08
Financial investments at FVTOCI	-	-	-	-	-	8,917.14	8,917.14
Financial investments at Cost	-	-	-	-	-	16,727.91	16,727.91
Other Financial Assets	382.49	351.92	2,869.34	1,660.14	2,107.73	679.13	8,050.74
Total undiscounted financial assets	**7,21,151.86**	**5,47,185.48**	**9,37,786.31**	**11,78,703.21**	**3,86,854.66**	**1,99,031.42**	**39,70,712.95**
Financial liabilities							
Other Payables	6,077.83	-	-	-	-	-	6,077.83
Deposits	31,783.76	33,963.96	60,674.91	2,62,758.11	82,504.67	-	4,71,685.42
Debt securities	78,272.58	11,867.35	88,225.16	3,08,519.19	29,099.26	-	5,15,983.54
Borrowings (other than debt securities)	3,00,593.32	2,33,027.39	3,86,677.48	6,17,955.12	66,346.76	379.27	16,04,979.35
Subordinated Liabilities	13,943.15	10,640.32	1.07	-	-	-	24,584.54
Other Financial Liabilities	26,722.84	51.01	4,980.25	-	-	16,094.52	47,848.62
Total undiscounted financial liabilities	**4,51,315.66**	**2,89,550.02**	**5,40,558.88**	**11,89,232.42**	**1,77,950.69**	**16,473.79**	**26,65,081.47**
Net undiscounted financial assets/ (liabilities)	**2,69,836.20**	**2,57,635.46**	**3,97,227.43**	**(10,529.21)**	**2,08,903.97**	**1,82,557.63**	**13,05,631.47**

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

47. RISK MANAGEMENT (Contd.)

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2021							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	116.45	116.45
VAT demand where the Company has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Guarantees and counter guarantees	-	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	302.41	-	-	-	-	-	302.41
Commitments related to loans sanctioned but undrawn	5,378.39	-	-	-	-	-	5,378.39
Total commitments	**5,680.80**	**-**	**-**	**-**	**-**	**8,395.69**	**14,076.49**

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2020							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	116.45	116.45
VAT demand where the Company has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Guarantees and counter guarantees	-	-	-	-	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	295.37	-	-	-	-	-	295.37
Commitments related to loans sanctioned but undrawn	691.57	-	-	-	-	-	691.57
Total commitments	**986.94**	**-**	**-**	**-**	**-**	**10,895.69**	**11,882.63**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

47. RISK MANAGEMENT (Contd.)

47.4 Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks such as Bank MCLR and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2021

₹ in lacs

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Term Loans - Bank	7,62,526.16	96,649.79	(77,037.37)
Term Loans - Financial Institution	2,63,930.95	38,545.38	(29,625.24)
Total floating rate borrowings	**10,26,457.11**	**1,35,195.17**	**(1,06,662.61)**

As at March 31, 2020

₹ in lacs

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Term Loans - Bank	7,89,133.69	90,522.69	(73,574.44)
Term Loans - Financial Institution	64,040.47	7,092.15	(5,787.33)
Total floating rate borrowings	**8,53,174.16**	**97,614.84**	**(79,361.76)**

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

48. Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount remaining unpaid to supplier as at the end of the year	18.90	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

49. LIQUIDITY COVERAGE RATIO DISCLOSURE

Disclosure as per the circular no RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 issued by Reserve Bank of India on "Liquidity Coverage ratio (LCR)"

₹ in lacs

Sr. No	Particulars	As at March 31, 2021		As at December 31, 2020	
		Total Unweighted Value (average)*	Total weighted Value (average)#	Total Unweighted Value (average)*	Total weighted Value (average)#
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)	4,19,389.93	4,00,965.68	2,97,375.17	2,81,569.73
Cash Outflows					
2	Deposits (for deposit taking companies)	10,803.11	12,423.58	10,348.44	11,900.70
3	Unsecured wholesale funding	-	-		-
4	Secured wholesale funding	1,11,367.46	1,28,072.58	79,234.25	91,119.39
5	Additional requirements, of which	-	-	-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-
6	Other contractual funding obligations	26,221.41	30,154.63	26,875.59	30,906.93
7	Other contingent funding obligations	3,664.00	4,213.60	2,015.35	2,317.66
8	**TOTAL CASH OUTFLOWS**	**1,52,055.98**	**1,74,864.38**	**1,18,473.63**	**1,36,244.67**
Cash Inflows					
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	1,86,668.34	1,40,001.25	1,79,528.97	1,34,646.73
11	Other cash inflows	300.13	225.10	304.17	228.13
12	**TOTAL CASH INFLOWS**	**1,86,968.47**	**1,40,226.35**	**1,79,833.14**	**1,34,874.86**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

49. LIQUIDITY COVERAGE RATIO DISCLOSURE (Contd.)

₹ in lacs

Sr. No	Particulars	Total Adjusted value As at March 31, 2021	Total Adjusted value As at December 31, 2020
13	TOTAL HQLA	4,00,965.68	2,81,569.73
14	TOTAL NET CASH OUTFLOWS	43,716.10	34,061.17
15	LIQUIDITY COVERAGE RATIO (%)	917.20%	826.66%

* Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflows and outflows.

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All non-deposit taking NBFCs with asset sise of ₹ 10,000 crore and above, and all deposit taking NBFCs irrespective of their asset sise, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching a level upto 60%. 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively.

Liquidity Coverage Ratio (LCR) ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator.

The average LCR is computed at as simple averages of monthly observations over the previous quarter (ie. average of three months ie. January 2021, February 2021 and March 2021 for the quarter ended March 31, 2021 and average of three months ie. October 2020, November 2020 and December 2020 for the quarter ended December 31, 2020)

The Company, as at March 31, 2021, had maintained average HQLA (after haircut) of ₹ 4,00,965.68 lacs against ₹ 2,81,569.73 lacs for the quarter ended December 31, 2020. HQLA primarily includes cash on hand, bank balances in current account and demand deposits with Schedule Commercial Banks, Treasury Bills and Government securities (such unencumbered approved securities held as per the provisions of section 45 IB of RBI Act, is reckoned as HQLA only to the extent of 80% of the required holding).

The Company has implemented the LCR framework and has maintained LCR well above the regulatory threshold. The average LCR for the quarter ended March 31, 2021 was 917.20% which is above the regulatory requirement of 50%. For the quarter ended December 31, 2020 average LCR was stood at 826.66%.

50. The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

51. Expenditure in foreign currency : ₹ 623.25 lacs (March 31, 2020: Nil).

52. The Company had no discontinuing operations during the year ended March 31, 2021.

53. EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

54. In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities, treasury bills & deposit (face value) to the extent of ₹ 8,200 lacs, ₹ 65,695.83 lacs and ₹ 21,000 lacs respectively (March 31, 2020 ₹ 20,200 lacs, ₹ 26,205.11 lacs and ₹ 19,988.99 lacs respectively) in favour of trustees representing the public deposit holders of the Company.

55. DISCLOSURE ON LOAN AGAINST GOLD AS ON MARCH 31, 2021 VIDE RBI NOTIFICATION DNBS.CC.PD. NO.265/03.10.01/2011-12 DATED MARCH 21, 2012

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Asset under Management	29,46,518.91	28,65,652.55
Total Loan against Gold	3,78,882.88	3,11,888.26
Percentage of Gold Loan on Total Assets (On Book)	12.86%	10.88%

56. TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	3,44,849.01	3,60,074.75
Carrying amount of associated liabilities (Borrowings (other than debt securities) - measured at amortised cost)	3,38,459.12	3,77,760.19
Fair value of assets	3,58,964.40	3,75,611.72
Fair value of associated liabilities	3,72,624.36	3,87,415.42
Net position at Fair Value	(13,659.96)	(11,803.70)

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

57. DISCLOSURE RELATING TO SECURITISATION

57.1 The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total number of transactions under par structure	9	15
Total book value of assets	2,11,842.97	3,99,923.33
Sale consideration received	2,11,842.97	3,99,923.33

57.2 The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	No of SPVs sponsored by the Company for securitisation transactions (in No.)	23	18
2	Total amount of securitised assets as per books of the SPVs sponsored by the Company	3,44,849.01	3,60,074.75
3	Total amount of exposures retained by the Company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	97,554.28	70,520.71
	Others	160.82	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

58.1 DISCLOSURE RELATING ASSIGNMENT

(i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	No of transactions Assigned by the Company	5	7
2	Total amount of Outstanding	10,419.30	47,619.99
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet		
	a) Off-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-Balance Sheet exposures		
	First loss	-	-
	Others	1,009.52	4,752.87
4	Amount of exposures to Assigned transaction other than MRR		
	a) Off-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

(ii) Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium: Nil (March 31, 2020: Nil)

58.2 No financial assets are sold to Securitisation/Reconstruction company for asset reconstruction as on March 31, 2021 and March 31, 2020.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

58.1 DISCLOSURE RELATING ASSIGNMENT (Contd.)

58.3 Details of Assignment transactions undertaken by the Company during the year

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
No.of accounts	-	1,44,261.00
Aggregate value (net of provision) of account sold	-	57,157.58
Aggregate consideration	-	57,157.58
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	-	-

Pursuant to the directives dated March 13, 2020 from the Reserve Bank of India, the Board of Directors have approved the policy for sales out of amortised cost business model portfolios. The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. Since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from The Company's Balance Sheet.

58.4 The Company has not purchased/sold non-performing assets for the year ended March 31, 2021 and March 31, 2020

59. INVESTMENTS

₹ in lacs

Particulars			As at March 31, 2021	As at March 31, 2020
(1)	**Value of investments**			
	(i)	Gross value of investments		
		(a) In India	92,052.61	64,496.83
		(b) Outside India,	9,686.10	8,917.14
	(ii)	Provisions for depreciation		
		(a) In India	6.47	-
		(b) Outside India,	-	-
	(iii)	**Net value of investments**		
		(a) In India	**92,046.14**	**64,496.83**
		(b) Outside India,	**9,686.10**	**8,917.14**
(2)	**Movement of provisions held towards depreciation on investments**			
	(i)	**Opening balance**	**-**	**-**
	(ii)	Add : Provisions made during the year	6.47	-
	(iii)	Less : Write-off/write-back of excess provisions during the year	-	-
	(iv)	**Closing balance**	**6.47**	**-**

60. DERIVATIVES

60.1 Forward rate agreement/Interest rate swap: Nil

60.2 Exchange Traded interest rate (IR) derivatives: Nil

61. RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Rating Agency	Rating Instrument	As at March 31, 2021	As at March 31, 2020
India Ratings	Long-Term (NCDs)	IND AA/ Stable	IND AA/ Stable
CARE	Long-Term (NCDs-MLD)	IND PP-MLD AAemr/ Stable	NA
	Short-Term (CP)	NA	IND A1+
	Bank Loan Ratings	IND AA/ Stable	IND AA/ Stable
	Fixed deposit	IND tAA/ Stable	IND tAA/ Stable
CARE	Long-Term (NCDs)	CARE AA+ /Stable	CARE AA+ /Stable
	Short-Term (CP)	CARE A1+	CARE A1+
	Subordinate Debt	NA	CARE AA+ /Stable
	Fixed deposit	CARE AA(FD) /Stable	CARE AA+ (FD) /Stable
ICRA	Long-Term (NCDs)	ICRA AA / Stable	ICRA AA / Stable
	Long-Term (NCDs-MLD)	PP-MLD ICRA AA/Stable	NA
	Short-Term (CP)	ICRA A1+	ICRA A1+
	Fixed deposit	MAA+ / Stable	MAA+ / Stable
CRISIL	Long-Term (NCDs)	CRISIL AA / Stable	CRISIL AA / Stable
	Short-Term (CP)	CRISIL A1+	CRISIL A1+
	Subordinate Debt	NA	CRISIL AA / Stable

62. DISCLOSURE OF RESTRUCTURED ACCOUNTS

₹ in lacs

Sr. No	Type of Restructuring		Others									
	Financial year		Year ended March 31, 2021					Year ended March 31, 2020				
	Asset lassification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	**Restructured accounts as on April 1**	**No. of borrowers**	-	-	-	-	-	-	-	-		
		Amount outstanding	-	-	-	-	-	-	-	-		
		Provision thereon	-	-	-	-	-	-	-	-		
2	Fresh restructuring under COVID 19 relief scheme during the year	No. of borrowers	565	-	-	-	**565**	-	-	-		
		Amount outstanding	15,424.60	-	-	-	**15,424.60**	-	-	-		
		Provision thereon	736.81	-	-	-	**736.81**	-	-	-		
3	Upgradation	No. of borrowers	-	-	-	-	-	-	-	-		
		Amount outstanding	-	-	-	-	-	-	-	-		
		Provision thereon	-	-	-	-	-	-	-	-		
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	-	-	-		
		Amount outstanding	-	-	-	-	-	-	-	-		
		Provision thereon	-	-	-	-	-	-	-	-		
5	Downgradation of restructured accounts during the year	No. of borrowers	(4.00)	4.00	-	-	-	-	-	-		
		Amount outstanding	(189.84)	189.84	-	-	-	-	-	-		
		Provision thereon	(119.37)	119.37	-	-	-	-	-	-		
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-		
		Amount outstanding	-	-	-	-	-	-	-	-		
		Provision thereon	-	-	-	-	-	-	-	-		
7	**Restructured accounts as on March 31**	**No. of borrowers**	**561**	**4**	**-**	**-**	**565**	**-**	**-**	**-**		
		Amount outstanding	**15,234.76**	**189.84**	**-**	**-**	**15,424.60**	**-**	**-**	**-**		
		Provision thereon	**617.44**	**119.37**	**-**	**-**	**736.81**	**-**	**-**	**-**		

Note:

(i) The outstanding amount and number of borrowers as at March 31, 2021 and March 31, 2020 is after considering recoveries during the year.

(ii) Since the disclosure of restructured accounts pertains to section "Others", the first two sections namely "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per the format prescribed in the Master Directions - Non -Banking Financial Company - Systematically Important Non-Deposit taking company and Deposit Taking Company (Reserve Bank) Directions 2016 as amended are not included above.

63. EXPOSURE TO REAL ESTATE SECTOR

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
i)	**Residential Mortgages** -Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	1,21,103.00
ii)	**Commercial Real Estate** -Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	25,392.74	66,799.12
iii)	**Investments in Mortgage Backed Securities(MBS) and other securitised exposures -**		
	Residential	-	-
	Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	**25,392.74**	**1,87,902.12**

64. EXPOSURE TO CAPITAL MARKET

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	27,002.57	25,947.13
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances; *	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to capital market	**27,002.57**	**25,947.13**

65. DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

The Company does not have any Parent Company, hence not applicable.

66. DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

67. UNSECURED ADVANCES

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

68. PROVISIONS AND CONTINGENCIES

₹ in lacs

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2021	Year ended March 31, 2020
Provisions for depreciation on investments	6.47	-
Provision towards NPA#	(9,804.56)	(2,699.21)
Provision made towards income tax	37,844.33	35,448.10
Provision for Standard Assets##	9,912.24	14,449.61
Provision towards impairment of financial instruments other than provision for stage 3 assets	171.58	97.45

Expected Credit Loss Provision for stage 3 assets

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets

69. DRAW DOWN FROM RESERVES

The draw down from reserves was Nil.

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs

70.1 Concentration of deposits (for deposit taking NBFCs)

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total deposits of twenty largest depositors	13,448.28	11,139.38
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.43%	2.78%

70.2 Concentration of advances

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total advances to twenty largest borrowers	28,565.33	36,697.71
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.97%	1.28%

70.3 Concentration of exposures

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total exposure to twenty largest borrowers/customers	22,622.75	30,081.83
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	0.77%	1.05%

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

70.4 Concentration of NPAs

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to top four NPA accounts	4,016.98	5,549.65

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

70.5 Sector-wise NPAs

S. no	Sector	As at March 31, 2021	As at March 31, 2020
		Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME / Corporate borrowers	7.26%	8.33%
3	Services	-	-
4	Loan Against Property	-	-
5	Unsecured personal loans	10.86%	11.59%
6	Auto loans		
	i) Auto Loans	8.56%	5.42%
	ii) Two wheeler	5.80%	8.12%
	iii) Pre Owned Two Wheeler	2.21%	0.00%
7	Other personal loans		
	i) Consumer Durable	-	-
	ii) Pledged Jewel	2.86%	4.37%
8	Others	1.04%	0.84%

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

70.6 Movement of NPAs

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i) Net NPAs to Net Advances (%)	3.08%	4.23%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	2,26,293.73	2,57,668.91
(b) Additions during the year	1,00,911.36	1,39,451.43
(c) Reductions during the year	(1,39,606.34)	(1,70,826.61)
(d) Closing balance	1,87,598.75	2,26,293.73
(iii) Movement of Net NPAs		
(a) Opening balance	1,16,618.58	1,45,294.23
(b) Additions during the year	25,800.77	69,564.03
(c) Reductions during the year	(54,691.19)	(98,239.67)
(d) Closing balance	87,728.16	1,16,618.58
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	1,09,675.14	1,12,374.68
(b) Provisions made during the year	75,110.59	69,887.40
(c) Write-off / write-back of excess provisions	(84,915.15)	(72,586.94)
(d) Closing balance	99,870.58	1,09,675.14

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

70.7 Comparison between provisions required under IRACP and Impairment Allowances made under IND AS 109 as required vide Circular No. RBI/ 2019-20/ 170 dated March 13, 2020 issued by Reserve Bank of India

For the year ended March 31, 2021

₹ in lacs

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Standard	Stage 1	25,25,387.95	88,122.34	24,37,265.60	10,848.94	77,273.41
	Stage 2	2,33,532.22	16,514.34	2,17,017.88	948.48	15,565.86
Subtotal		**27,58,920.16**	**1,04,636.68**	**26,54,283.48**	**11,797.42**	**92,839.27**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,09,226.62	56,409.77	52,816.85	51,293.35	5,116.42
Doubtful - up to 1 year	Stage 3	63,300.22	35,339.22	27,961.00	40,663.75	(5,324.53)
1 to 3 years	Stage 3	15,071.91	8,121.60	6,950.31	11,738.50	(3,616.90)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**78,372.13**	**43,460.82**	**34,911.31**	**52,402.25**	**(8,941.43)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,87,598.75**	**99,870.58**	**87,728.16**	**1,03,695.60**	**(3,825.01)**
Total	**Stage 1**	25,25,387.95	88,122.34	24,37,265.60	10,848.94	77,273.41
	Stage 2	2,33,532.22	16,514.34	2,17,017.88	948.48	15,565.86
	Stage 3	1,87,598.75	99,870.58	87,728.16	1,03,695.60	(3,825.01)
	Total	**29,46,518.91**	**2,04,507.27**	**27,42,011.64**	**1,15,493.01**	**89,014.25**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

For the year ended March 31, 2020

₹ in lacs

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Standard	Stage 1	24,71,361.98	83,680.54	23,87,681.44	25,592.61	58,087.93
	Stage 2	1,67,996.84	11,043.90	1,56,952.94	7,216.78	3,827.12
Subtotal		**26,39,358.82**	**94,724.44**	**25,44,634.38**	**32,809.39**	**61,915.05**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,65,755.67	79,864.32	85,891.35	83,449.16	(3,584.84)
Doubtful - up to 1 year	Stage 3	46,409.56	23,351.06	23,058.50	39,213.69	(15,862.63)
1 to 3 years	Stage 3	14,128.49	6,459.77	7,668.73	13,025.51	(6,565.74)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**60,538.05**	**29,810.82**	**30,727.23**	**52,239.20**	**(22,428.37)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**2,26,293.73**	**1,09,675.14**	**1,16,618.58**	**1,35,688.35**	**(26,013.21)**
Total	**Stage 1**	24,71,361.98	83,680.54	23,87,681.44	25,592.61	58,087.93
	Stage 2	1,67,996.84	11,043.90	1,56,952.94	7,216.78	3,827.12
	Stage 3	2,26,293.73	1,09,675.14	1,16,618.58	1,35,688.35	(26,013.21)
	Total	**28,65,652.55**	**2,04,399.59**	**26,61,252.96**	**1,68,497.74**	**35,901.84**

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

70.8 Disclosure as per the circular no DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by Reserve Bank of India on "COVID 19 regulatory package - Asset Classification and provisioning"

i Amounts in SMA/overdue categories where moratorium/deferment was extended in terms of paragraph 2 and 3 of the above circular

₹ in lacs

SMA category	As at March 31, 2021	As at March 31, 2020
SMA 0	1,00,756.64	1,23,292.19
SMA 1	1,96,544.54	2,87,621.77
SMA 2	25,122.90	34,125.15
Total	**3,22,424.08**	**4,45,039.10**

ii Respective amount where asset classification benefit is extended : Nil (March 31, 2020 : ₹ 20,047.7 lacs)

iii The provision as per the ECL model as at March 31, 2020 was more when compared with the provision required as per IRAC norms after including additional 5% provision of ₹ 22,251.96 lacs and also after including additional 10% provision as at June 30, 2020, September 30, 2020 and December 31, 2020. Further, the provision as per the ECL model as at March 31, 2021 was more compared to the provision required as per IRAC norms after excluding the additional 10% provision, in accordance with the para 6 of above circular.

iv Provisions adjusted against the respective accounting periods for slippages and residual provisions in terms of paragraph 5 of the above circular : Not applicable

'The Company had granted moratorium upto six months on the payment of installments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package' and RBI guidelines on EMI moratorium dated April 17, 2020. Further, period for which moratorium was granted had not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI and DPD freeze for such period by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Company continued to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

'The COVID -19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Company's business operations. the Company has considered an additional Expected Credit Loss (ECL) provision of ₹ 28,273.05 lacs on account of COVID-19 during year ended March 31, 2021. As at March 31, 2021, additional ECL provision on loan assets as management overlay on account of COVID-19 stood at ₹ 70,876.72 lacs. The additional ECL provision on account of COVID-19 is based on the Company's historical experience, collection efficiencies post completion of Moratorium period, scheme by Government of India, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. the Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

71. OVERSEAS ASSETS (for those with joint ventures and subsidiaries abroad)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

72. OFF-BALANCE SHEET SPVS SPONSORED (which are required to be consolidated as per accounting norms)

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

73. CUSTOMER COMPLAINTS

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Number of complaints pending at the beginning of the year	25	20
(b) Number of complaints received during the year	2,900	2,521
(c) Number of complaints redressed during the year	2,923	2,516
(d) Number of complaints pending at the end of the year	2	25

74. AUCTION DETAILS

The Company Auctioned 167 loan accounts (March 31, 2020: 1,799 accounts) during the financial year and the outstanding dues on these loan accounts were ₹ 36.25 lacs (March 31, 2020: ₹ 313.65 lacs) till the respective dates of auction. The company realised ₹ 37.44 lacs (March 31, 2020 : ₹ 306.51 lacs) on auctioning of gold jewellery taken as security on these loans. The company confirms that none of its sister concerns participated in the above auctions.

75. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

₹ in lacs

Sr. No	Authority	Details of non-compliance made by the Company for which penalty has been levied	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/ Stay Received	Date of payment	Status as on March 31, 2021
1	Reserve Bank of India	Non-Compliance with directions issued by RBI on verification of the ownership of gold jewellery	5.00	5.00	Nil	Nil	October 12, 2020	Paid
2	Insurance Regulatory and Development Authority of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	Enforcement Directorate (ED) / Adjudicating Authority/ Tribunal or any authority under FEMA	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Securities and Exchange Board of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil

75. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS (Contd.)

₹ in lacs

Sr. No	Authority	Details of non-compliance made by the Company for which penalty has been levied	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/ Stay Received	Date of payment	Status as on March 31, 2021
6	Competition Commission of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
7	Financial Intelligence Unit - India	Failure of the Company to file CTR, to evolve an internal mechanism for detecting the transactions, to put in place of an effective mechanism to detect and report suspicious transactions, to undertake risk categorisation of the customers and to conduct periodical review of risk categorisation, to identify and verify the Beneficial Owner	4.50	4.50	Nil	Nil	January 1, 2021	Paid

No penalties have been levied by any regulator on the Company for the year ended March 31, 2020.

76. The Company has not invoked any resolution plans for borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with guidelines issued by the RBI on August 6, 2020.

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP.BC/4/21.04.048/2020-21 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" having exposure less than or equal to ₹ 25 crore for the year ended March 31, 2021

₹ in lacs

No. of accounts restructured	Amount
565	15,424.60

77. Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr). vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 and provision had been made accordingly. The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection, the Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

78. The Company had credited an ex-gratia amount of ₹ 10,423.34 lacs for the payment of difference between the compound interest and simple interest to the accounts of borrowers in specified loan accounts between March 1, 2020 and August 31, 2020 as per the eligibility criteria and other features as mentioned in the notification dated October 23, 2020 issued by Government of India, Ministry of Finance, Department of Financial Services. The Company had filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification and same was received on March 31, 2020.

79. In accordance with the RBI circular dated April 07, 2021 and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021 consequent to the judgement dated March 23, 2021 of Hon'ble Supreme Court, the Company has put in place a policy approved by the Board of Directors to refund/ adjust the 'interest on interest' charged to borrowers (other than specified borrowers) during the moratorium period .i.e. March 1, 2020 to August 31, 2020. The Company has estimated the said amount and made a provision in the financial statements for the year ended March 31, 2021.

80. DISCLOSURES PERTAINING TO FUND RAISING BY ISSUANCE OF DEBT SECURITIES BY LARGE CORPORATE

The Company, as per the SEBI circular SE131/HO/DDHS/CIR/P/2018/144, and the definitions therein, is a Large Corporate and hence is required to disclose the following information about its borrowings

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Name of the Company	Shriram City Union Finance Limited	
2	CIN	L65191TN1986PLC012840	
3	Outstanding borrowing of the Company (₹ in lacs)	18,73,383.03	16,82,627.21
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	CARE AA+ by CARE Ratings Limited	CARE AA+ by CARE Ratings Limited
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange of India Limited	National Stock Exchange of India Limited

Annual Disclosure to be made by an entity identified as a Large Corporate

₹ in Lacs

Sr. No.	Particulars	Year ended	
		March 31, 2021	March 31, 2020
1	Incremental borrowing done in FY (a)	9,26,495.51	6,19,498.73
2	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	2,31,623.88	1,54,874.68
3	Actual borrowings done through debt securities in FY (c)	1,88,090.00	1,93,325.76
4	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c)	43,533.88	Nil
5	Reasons for short fall, if any, in mandatory borrowings through debt securities	Borrowings from capital markets were lower due to Covid 19 related impact on business.	NA

Notes:

(i) Figures pertain to long term borrowing basis original maturity of more than one year (excludes funds raised by way of Direct Assignment, Securitisation & Sale of receivables in form of Direct Assignment under Partial Credit Guarantee Scheme)

(ii) Figures are taken on the basis of cash flows/principal maturity value, excluding accrued interest, if any.

81. The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards applicable social security schemes. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

82. LIQUIDITY RISK

Public Disclosure on Liquidity Risk for the period ended March 31, 2021 pursuant to RBI circular dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of Significant Counterparties	Amount (₹ in lacs)*	% of Total deposits	% of Total liabilities
1	18	16,46,173.87	297.74%	63.09%

*Includes securitisation liabilities exposure

(ii) Top 20 large deposits (amount in ₹ in lacs and % of total deposits)

Particulars	As at March 31, 2021
Total amount of top 20 large deposits	13,448.28
Percentage of amount of top 20 large deposits to total deposits	2.43%

(iii) Top 10 borrowings (amount in ₹ in lacs and % of total borrowings)

Particulars	As at March 31, 2021
Total amount of top 10 borrowings *	12,36,599.84
Percentage of amount of top 10 borrowings to total borrowings	48.37%

*Includes securitisation liabilities exposure

(iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount (₹ in lacs)	% of Total liabilities
1	Public issue of Redeemable non-convertible debentures	86,924.21	3.33%
2	Privately placed Redeemable non-convertible debentures	3,39,438.79	13.01%
3	Term Loan from banks	7,62,526.16	29.23%
4	Term Loan from financial institution/ NBFC	2,63,930.95	10.12%
5	Loans repayable on demand from banks (Cash credit from banks & Working Capital Loan)	2,12,362.91	8.14%
6	Other loans - Securitisation liabilities	3,38,459.12	12.97%
7	Public deposits	5,52,888.78	21.19%

(v) Stock Ratios:

	Particulars	as a % of Total public funds	as a % of Total liabilities	as a % of Total assets
(a)	Commercial papers	-	-	-
(b)	Non-convertible debentures (original maturity of less than one year)	-	-	-
(c)	Other short-term liabilities*	10.46%	10.24%	7.81%

*includes cash credit, working capital demand loans and other short term loans with original maturity of less than one year.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

82. LIQUIDITY RISK (Contd.)

(vi) Institutional set-up for liquidity risk management

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Audit and Risk Management Committee (ARMC) which is responsible for monitoring the overall risk process within the Company.

The (ARMC) is responsible for managing risk decisions and monitoring risk levels. The meetings of ARMC are held at quarterly interval.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits/ targets set by the Board as well as for deciding the business strategy of the Company in line with the Company's budget and decided risk management objectives. The ALCO does balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the company. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight.

In assessing the company's liquidity position, consideration is given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of its loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

The liquidity buffer and SLR investments was ₹ 4,01,569.30 lacs and ₹ 95,779.83 lacs respectively.

***Notes:**

1) Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
2) Significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
3) Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).

82. LIQUIDITY RISK (Contd.)

4) Public funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

83. DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR ENDED MARCH 31, 2021 VIDE DNBS. PD. CC NO. 256/03.10.042/2011-12 DATED MARCH 2, 2012

Instances of fraud for the year ended March 31, 2021:

₹ in lacs

Particulars	Less than ₹ 1 lacs		₹ 1 lac to ₹25 lacs		Greater than ₹ 25 lacs		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Staff & Customer	-	-	2	5.00	-	-	2	5.00
Customer	-	-	-	-	-	-	-	-
Customer & Outsider	-	-	-	-	-	-	-	-
Staff, Customer & Outsider	-	-	-	-	-	-	-	-
Total	**-**	**-**	**2**	**5.00**	**-**	**-**	**2**	**5.00**
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	-	-	2	5.00	-	-	2	5.00
Total	**-**	**-**	**2**	**5.00**	**-**	**-**	**2**	**5.00**

"- "represents Nil

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

84. ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2021

₹ in lacs

Particulars	0 to 7 days	8 to 14 days	15 to 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3 Months	Over 3 months & up to 6 Months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	1,239.96	1,587.71	6,626.81	9,697.77	12,304.94	40,859.07	90,645.87	2,80,783.32	1,09,143.33	-	5,52,888.78
Advances*	1,09,021.60	42,901.32	32,350.33	1,23,632.26	1,31,852.26	3,89,113.52	7,05,187.27	9,06,436.94	1,78,936.13	1,22,580.01	27,42,011.64
Investments	-	280.77	448.69	13.47	15.30	45.29	66,142.79	8,271.40	-	26,514.53	1,01,732.24
Borrowings	-	43,013.28	98,430.49	99,920.54	1,10,533.71	2,20,065.31	5,81,307.46	7,10,464.18	1,22,414.22	17,492.95	20,03,642.14
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

As at March 31, 2020

₹ in lacs

Particulars	0 to 7 days	8 to 14 days	15 to 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3 Months	Over 3 months & up to 6 Months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	1,738.66	1,865.92	6,177.22	10,148.78	11,456.95	32,897.45	57,201.65	2,21,190.03	58,530.14	-	4,01,206.80
Advances*	98,100.63	23,553.44	12,980.58	92,295.93	1,33,812.50	4,02,934.02	6,42,051.49	9,22,596.53	2,21,426.10	1,11,501.74	26,61,252.96
Investments	-	280.77	302.08	-	12,310.74	8.57	26,447.95	-	8,100.00	25,963.86	73,413.97
Borrowings	552.46	13,157.09	54,221.04	81,656.53	96,664.08	1,72,021.24	5,77,766.07	8,34,338.78	84,412.75	587.09	19,15,377.12
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

* net of Impairment loss allowance.

85. PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

As per our report of even date
For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number : 100515W

Anagha M.Nanivadekar
Partner
Membership No.121007
Pune, April 30, 2021

Place: Chennai
Date : April 30, 2021

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

As required in terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Schedule to the Balance Sheet

₹ in lacs

	Particulars	As at March 31, 2021	
	Liabilities side :	**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**		
	(a) Debenture : Secured	4,26,363.00	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	10,26,457.11	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits	5,52,888.78	-
	(g) Other Loans - Subordinated debts	-	-
	- Cash Credit/WCDL	2,12,362.91	-
	- Securitisation Loan	3,38,459.12	-

*Please see note 1 below

₹ in lacs

(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**	**Amount outstanding**	**Amount overdue**
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	5,52,888.78	-

Assets side :

₹ in lacs

(3)	**Break-up of loans and advances including bills receivables (other than those included in (4) below):**	**Amount outstanding**
	(a) Secured	23,96,344.85
	(b) Unsecured	3,45,666.79

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

₹ in lacs

(4)	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	Amount outstanding
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	-
	(b) Operating lease	-
	(ii) Stock on hire including hire charges under sundry debtors :	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other loans counting towards asset financing activities :	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-
	The Company has not furnished the asset financing activities details under loans and advances as the RBI has merged asset finance companies, loan companies and investment companies vide its circular number DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019.	

₹ in lacs

(5)	Break-up of investments :	Amount outstanding
	Current investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debenture and bonds	-
	(iii) Units of mutual funds	434.03
	(iv) Government securities	-
	(v) Others (Please specify)	-
	Treasury Bills	66,090.73
	2. Unquoted :	
	(i) Shares: (a) Equity	-
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	-
	(v) Others (Please specify)	
	(a) Debentures	-
	(b) Mutual Funds	-

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

₹ in lacs

(5)	Break-up of investments :	Amount outstanding
	Long term investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	9,686.10
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	8,638.94
	(v) Others (Please specify)	-
	2. Unquoted :	
	(i) Shares: (a) Equity	16,727.91
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	-
	(v) Others -Venture capital fund	-
	Investment in PTC	-
	Certificate of deposits	-
	Pass through certificates (unquoted)	154.53
	Investment in subordinated debts	-

₹ in lacs

(6)	Borrower group-wise classification of assets, financed as in (3) and (4) above : Please see note 2 below		
	Category	Amount (Net of provisions)	
		Secured	Unsecured
	1. Related Parties **		
	(a) Subsidiary	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	23,96,344.85	3,45,666.79

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

₹ in lacs

(7)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):** Please see note 3 below		
	Category	**Market Value / Break up or fair value or NAV***	**Book Value (Net of Provisions)**
	1. Related Parties *		
	(a) Subsidiary	43,687.54	16,727.91
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	85,661.55	85,004.33
	Total	**1,29,349.09**	**1,01,732.24**

* As per Indian Accounting Standard issued by MCA (Please see note 3)

₹ in lacs

(8)	**Other information**	
	Particulars	**Amount**
(i)	Gross non-performing assets **	
	(a) Related parties	-
	(b) Other than related parties	1,87,598.75
(ii)	Net non-performing assets **	
	(a) Related parties	-
	(b) Other than related parties	87,728.16
(iii)	Assets acquired in satisfaction of debt	-

** NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes :

1. As defined in point xxvii of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA..
3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

Form AOC-1

(Pursuant to first proviso to sub- section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

Part A: Subsidiaries

₹ in lacs

Sr. No.	Particulars	Shriram Housing Finance Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
3	Capital	21,416.00
4	Reserves	36,231.05
5	Total assets	3,83,275.75
6	Total liabilities	3,25,628.70
7	Investment included in total assets	7,402.57
8	Turnover	42,190.48
9	Profit before taxation	8,423.61
10	Provision for taxation	2,185.30
11	Profit after taxation	6,238.30
12	Dividend including dividend distribution tax	-
13	% of shareholding	77.25%

Independent Auditor's Report

The Members of Shriram City Union Finance Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying consolidated financial statements of Shriram City Union Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Group as at March 31, 2021, its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

3. Emphasis of Matter

Attention is invited to the Note No. 66 included in the financial statements:

i. In accordance with the Board approved moratorium policy relating to COVID-19 - Regulatory Package announced by Reserve Bank of India (RBI), the Group has granted moratorium up to six months on the payment of instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers and has continued recognition of interest. In view of the management, this relaxation does not trigger any significant increase in credit risk.

ii. The provision in respect of expected credit losses on loans and advances consequent to COVID 19 pandemic has been made on the basis of estimation of probable defaults and future business estimates. These estimates would be periodically reviewed based on the future business scenario. However, actual results are uncertain and could be different from such estimates.

Our opinion is not modified in respect of the above matters.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment and Write-offs** The Recognition and Measurement of Impairment and Write-off of Loans and Advances involves estimates, management judgements and appropriate processing of information from the IT systems because of which the same has been identified as a key audit matter.	Our key audit procedures included: ● We test checked the computation of the Probable default (PD) which denotes the statistical pattern of occurrence of defaults in individual accounts over a period of past five years. ● We also test checked the computation of the ratio of Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. ● We examined the computation of Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. ● We reviewed the changes made by the management in PD and LGD on the background of COVID 19 outbreak and additional ECL provisions made on the basis of above revisions. ● We reviewed the Internal financial controls over data extraction and data validation from the ERP system for computation of PD and LGD with the participation of our internal IT expert. ● We performed analytical procedures for ascertaining of reasonableness of Impairment provisions. ● We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written off. ● Our audit procedures did not reveal any significant inconsistencies with respect to provisions for impairment and write offs.

5. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Director's Report and Corporate Governance Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding company and the subsidiary and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Holding Company's and the subsidiary's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding company and/or the subsidiary or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of those companies.

7. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and/or the subsidiary to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and/or the subsidiary to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group to express an opinion on the consolidated Financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of holding company included in the consolidated financial results of which we are the independent auditors. For the subsidiary included in the consolidated Financial statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Other Matters

We did not audit the financial statements of the subsidiary, Shriram Housing Finance Limited whose financial statements reflect total assets of ₹ 3,83,250 lacs as at March 31, 2021, Group's share of total revenue of ₹ 42,833 lacs, Group's share of total net profit after tax of ₹ 6,355 lacs, Group's share of total comprehensive income of ₹ 6,358 lacs for the year ended March 31, 2021 and net cash outflow of ₹ 4,758 lacs for the year ended on March 31, 2021 as considered in the Consolidated Financial Statements, which have been audited by its independent auditor. These financial statements have been audited by the other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

9. Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure to this report.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and the subsidiary to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 43 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2021.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2021.

For G. D. Apte & Co.
Chartered Accountants
ICAI Firm registration number: 100515W
UDIN: 21121007AAAACC5869

Anagha M. Nanivadekar
Partner
Membership Number: 121007
Pune, April 30, 2021

Annexure

referred to in paragraph 9 (f) To The Independent Auditor's Report of Even Date on the Consolidated Financial Statements Of Shriram City Union Finance Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited (hereinafter referred to as "Holding Company") as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Holding Company and its subsidiary, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure (Contd.)

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matter paragraph, the Holding Company and its Subsidiary, which are companies incorporated in India, have in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the subsidiary, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For G. D. Apte & Co.
Chartered Accountants
ICAI Firm registration number: 100515W
UDIN: 21121007AAAACC5869

Anagha M. Nanivadekar
Partner
Membership Number: 121007

Pune, April 30, 2021

Consolidated Balance Sheet

as at March 31, 2021

₹ in lacs

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I ASSETS			
1 Financial Assets			
Cash and Cash Equivalents	9	3,91,641.65	2,24,053.78
Bank balance other than above	10	1,44,309.16	97,859.03
Receivables			
(I) Trade Receivables	11	229.99	89.76
(II) Other Receivables	11	-	0.65
Loans	12	30,79,779.88	28,60,101.36
Investments	13	92,406.90	72,318.17
Other Financial Assets	14	16,234.07	12,618.14
2 Non-Financial Assets			
Current Tax Assets (net)	38	4,921.74	15,136.41
Deferred Tax Assets (net)	38	12,815.28	5,072.77
Property, Plant and Equipment	15	6,841.27	7,790.02
Intangible Assets	16	643.36	768.63
Right of Use Assets	17	16,538.88	16,578.78
Other Non-Financial Assets	18	20,146.61	16,507.17
Total Assets		**37,86,508.79**	**33,28,894.67**
II LIABILITIES AND EQUITY			
1 Financial Liabilities			
Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	19	18.90	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	8,333.36	8,096.32
Debt Securities	20	4,84,252.82	4,85,324.94
Borrowings (other than debt securities)	21	18,37,472.96	15,99,030.53
Deposits	22	5,52,888.78	4,01,206.80
Subordinated Liabilities	23	-	23,923.91
Other Financial Liabilities	24	43,900.35	49,945.43
2 Non-Financial Liabilities			
Provisions	25	2,738.66	4,115.46
Deferred Tax Liabilities	38	2,536.95	886.48
Other Non-Financial Liabilities	26	2,538.73	2,379.14
Total Liabilities		**29,34,681.51**	**25,74,909.01**
3 Equity			
Equity Share Capital	27	6,600.50	6,600.29
Other Equity	28	8,32,153.68	7,35,755.92
Equity attributable to equity holders of the parent		**8,38,754.18**	**7,42,356.21**
Non-Controlling Interest		13,073.10	11,629.45
Total Equity		**8,51,827.28**	**7,53,985.66**
Total Liabilities and Equity		**37,86,508.79**	**33,28,894.67**

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date
For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number : 100515W

Anagha M.Nanivadekar
Partner
Membership No.121007
Pune, April 30, 2021

Place: Chennai
Date : April 30, 2021

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

₹ in lacs

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
REVENUE FROM OPERATIONS			
(i) Interest income	29	5,90,296.08	5,97,509.45
(ii) Dividend income		190.28	171.21
(iii) Fee and commission income	30	4,633.54	1,357.20
(iv) Net gain on fair value changes	31	907.24	1,080.88
(v) Net gain on derecognition of financial instruments under amortised cost category		7,422.46	7,706.75
(vi) Bad debts recovery		11,112.38	14,823.11
(vii) Other Operating income		813.31	662.22
I Total revenue from operations		**6,15,375.29**	**6,23,310.82**
II Other income		1,411.33	604.53
III Total income (I+II)		**6,16,786.62**	**6,23,915.35**
EXPENSES			
(i) Finance cost	32	2,34,071.25	2,30,326.13
(ii) Fees and commission expenses		11,252.43	13,509.92
(iii) Impairment on financial instruments	33	1,662.95	13,106.41
(iv) Bad Debts Written Off	34	85,396.39	77,823.82
(v) Employee benefit expenses	35	83,012.74	91,137.37
(vi) Depreciation, amortisation and impairment	36	8,712.46	8,958.28
(vii) Royalty		6,716.05	6,774.69
(viii) Professional Charges		14,348.64	13,204.22
(ix) Other expenses	37	23,812.53	28,426.09
IV Total expenses		**4,68,985.44**	**4,83,266.93**
V Profit/(loss) before exceptional items and tax (III - IV)		**1,47,801.18**	**1,40,648.42**
VI Exceptional items		-	-
VII Profit/(loss) before tax (V- VI)		**1,47,801.18**	**1,40,648.42**
VIII Tax expense:			
(1) Current tax	38	47,155.66	35,661.16
(2) Income tax of the earlier years	38	(190.33)	1,325.99
(3) Deferred tax	38	(6,935.69)	340.01
IX Profit/(loss) for the period (VII-VIII)		**1,07,771.54**	**1,03,321.26**
X Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		1,181.86	(331.11)
Gain/(Loss) on Fair valuation of quoted investments in equity shares		768.97	(664.10)
(ii) Income tax relating to items that will not be reclassified to profit or loss		633.62	(112.75)
Subtotal (A)		**1,317.21**	**(882.46)**
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		**-**	**-**
Other comprehensive income (A+B)		**1,317.21**	**(882.46)**
XI Total Comprehensive Income for the year (IX+ X)		**1,09,088.75**	**1,02,438.80**
XII Profit/ (Loss) for the period attributable to			
- Owners of the Company		1,06,352.34	1,02,262.95
- Non - Controlling Interests		1,419.20	1,058.31
XIII Other Comprehensive Income/ (Loss) for the period attributable to			
- Owners of the Company		1,316.68	(883.99)
- Non - Controlling Interests		0.53	1.53
XIV Total Comprehensive Income/ (Loss) for the period attributable to			
- Owners of the Company		1,07,669.02	1,01,378.96
- Non - Controlling Interests		1,419.73	1,059.84
XV Earnings per equity share			
Basic (₹)	39	161.13	154.95
Diluted (₹)	39	160.76	154.92

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date
For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number : 100515W

Anagha M.Nanivadekar
Partner
Membership No.121007
Pune, April 30, 2021

Place: Chennai
Date : April 30, 2021

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended March 31, 2021

₹ in lacs

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before Tax	1,47,801.18	1,40,648.42
	Adjustments for :		
	Depreciation, amortisation and impairment	8,712.46	8,958.27
	Loss/(Profit) on sale of Property, Plant and Equipment (net)	66.15	44.85
	Bad Debts Written Off	85,396.23	77,823.81
	Impairment of financial instruments	1,662.96	13,106.41
	Amortisation of premium on Government securities	71.20	123.94
	Interest on Lease Liabilities	1,812.85	1,735.64
	Net (Gain)/Loss on sale of investments and Fair value changes of Investment/ Derivative	(907.24)	(1,080.88)
	Net (gain)/Loss on derecognition of financial instruments under amortised cost category	(7,422.46)	(7,706.75)
	Lease concessions received	(510.91)	-
	Share based payments to employees	1,953.07	58.50
	Dividend Income considered as cash flow from investing activity	(190.28)	(171.21)
	Operating profit before working capital changes	**2,38,445.21**	**2,33,541.00**
	Movements in Working capital:		
	(Increase) / decrease in loans and advances	(3,03,468.07)	(65,719.10)
	(Increase) / decrease in other non financial assets	(4,776.75)	(2,063.44)
	(Increase) / decrease in other financial assets	3,807.80	(1,561.79)
	(Increase) / decrease in bank deposits	(46,388.49)	(67,372.60)
	Increase / (decrease) in other financial liabilities	(19,141.14)	572.84
	Increase / (decrease) in other non financial liabilities	159.49	732.94
	Increase / (decrease) in other payables	703.34	543.44
	Increase / (decrease) in other provisions	(299.64)	974.35
	(Increase) / decrease in receivables	(146.50)	(93.12)
	Increase / (decrease) in derivative financial instruments	-	(379.00)
	(Increase) / decrease in investments	(27,494.43)	(8,402.88)
	Cash generated from operations	**(1,58,599.18)**	**90,772.64**
	Direct taxes paid (net of refunds)	(36,540.64)	(46,184.42)
	Net Cash from/(used in) operating activities (A)	**(1,95,139.82)**	**44,588.22**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment and intangible assets	(2,033.58)	(2,860.06)
	Sale of Investment in Mutual Funds	-	20,235.50
	Sale of Investment in Shares	8,656.32	7,788.46
	Capital advance for assets	(16.97)	(4.45)
	Proceeds from sale of fixed assets	49.94	48.65
	Dividend Income	190.28	171.21
	Proceeds from sale of Security Deposits	347.68	530.52
	Net Cash from/(used in) investing activities (B)	**7,193.67**	**25,909.83**

Consolidated Cash Flow Statement for the year ended March 31, 2021 (Contd.)

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	0.74	3.44
Increase/(Decrease) of Debt securities	(1,599.78)	59,634.49
Increase/(Decrease) of Borrowings	2,42,038.33	(29,784.77)
Increase/(Decrease) of Deposits	1,51,681.98	89,266.19
Increase/(Decrease) of Subordinated liabilities	(23,923.91)	(41,447.04)
Payment of Lease Liabilities	(6,062.91)	(6,197.24)
Dividend paid on equity shares	(6,600.43)	(14,518.98)
Tax on Dividend	-	(2,984.42)
Net Cash from/(used in) financing activities (C)	**3,55,534.02**	**53,971.67**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**1,67,587.87**	**1,24,469.72**
Cash and cash equivalents at the beginning of the year	**2,24,053.78**	**99,584.06**
Cash and cash equivalents at the end of the year	**3,91,641.65**	**2,24,053.78**

₹ in lacs

Components of cash and cash equivalents	Year ended March 31, 2021	Year ended March 31, 2020
Cash on hand	5,433.39	888.66
Balances with Banks		
- in current accounts	1,38,156.42	28,228.92
- in deposit accounts having original maturity less than three months	2,48,051.84	1,94,936.20
Total	**3,91,641.65**	**2,24,053.78**

Notes:

1) The above cash-flow statement have been prepared under the indirect method as set out in Indian Accounting Standard (IndAS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.

2) Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

3) All figures in brackets indicate cash outflow.

See accompanying notes forming part of the financial statements.

As per our report of even date
For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number : 100515W

Anagha M.Nanivadekar
Partner
Membership No.121007
Pune, April 30, 2021

Place: Chennai
Date : April 30, 2021

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Consolidated Statement of changes in Equity

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

	No. of shares	₹ In lacs
As at April 1, 2019	**6,59,92,317**	**6,599.23**
Changes in Equity share capital during the year	10,605	1.06
As at March 31, 2020	**6,60,02,922**	**6,600.29**
Changes in Equity share capital during the year	2,100	0.21
As at March 31, 2021	**6,60,05,022**	**6,600.50**

B. OTHER EQUITY

Statement of changes in Equity for the year ended March 31, 2021

₹ in lacs

Particulars		Reserves and Surplus										Non Controlling Interest	Total
	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Statutory Reserve pursuant to section 29C of the NHB Act, 1987	Share Options Outstanding	Securities Premium Account	Debenture Redemption Reserve	Capital Redemption Reserve	General Reserve	Capital Reserve	Retained Earnings	Other Comprehensive income	Total Other Equity		
Balance as at April 1, 2019	**1,08,411.30**	**2,161.99**	**65.86**	**1,84,901.29**	**2,844.29**	**2,328.98**	**85,339.27**	**7,871.88**	**2,58,588.75**	**(683.12)**	**6,51,830.49**	**10,554.85**	**6,62,385.34**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	-	1,02,262.95		1,02,262.95	1,058.31	1,03,321.26
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	-	(333.27)	(333.27)	2.16	(331.11)
Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-		-	-	(664.10)	(664.10)	-	(664.10)
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan and Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	-	113.38	113.38	(0.63)	112.75
Transferred from Retained Earnings upto August 16, 2019	-	-	-	-	2,930.90	-	-	-	(2,930.90)	-	-	-	-
Amount transferred to General Reserve on Redemption of Non Convertible Debentures upto August 16, 2019	-	-	-	-	(2,911.54)	-	2,911.54	-	-	-	-	-	-
Amount transferred to General Reserve upon dispensation of requirement of DRR by MCA vide notification dated August 16 ,2019	-	-	-	-	(2,863.65)	-	2,863.65	-	-	-	-	-	-
Share Premium received during the year on exercise of ESOPs	-	-	-	26.67	-	-	-	-	-	-	26.67	-	26.67
Employee Stock option expenses	-	-	45.20	-	-	-	-	-	-	-	45.20	-	45.20
Adjustment on Exercise of Employee Stock Option Plan	-	-	(24.02)	-	-	-	-	-	-	-	(24.02)	14.76	(9.26)
Transferred to Retained Earnings	-	-	2.02	-	-	-	-	-	-	-	2.02		2.02
Final Equity Dividend FY 2018-19	-	-	-	-	-	-	-	-	(10,559.22)	-	(10,559.22)	-	(10,559.22)
Tax on Final Equity Dividend FY 2018-19	-	-	-	-	-	-	-	-	(2,170.48)	-	(2,170.48)	-	(2,170.48)
Interim Equity Dividend FY 2019-20	-	-	-	-	-	-	-	-	(3,959.76)	-	(3,959.76)	-	(3,959.76)
Tax on Interim Equity Dividend FY 2019-20	-	-	-	-	-	-	-	-	(813.94)	-	(813.94)	-	(813.94)
Transfer to Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	20,020.00	-	-	-	-	-	-	-	(20,020.00)	-	-	-	-
Transfer to Statutory Reserve pursuant to section 29C of the NHB Act, 1987	-	720.58	-	-	-	-	-	-	(720.58)	-	-	-	-
Transfer to General reserve	-	-	-	-	-	-	10,010.00	-	(10,010.00)	-	-	-	-
Balance as at March 31, 2020	**1,28,431.30**	**2,882.57**	**89.06**	**1,84,927.96**	**-**	**2,328.98**	**1,01,124.46**	**7,871.88**	**3,09,666.82**	**(1,567.11)**	**7,35,755.92**	**11,629.45**	**7,47,385.37**

Consolidated Statement of changes in Equity for the year ended March 31, 2021 (Contd.)

B. OTHER EQUITY (Contd.)

₹ in lacs

Particulars	Reserves and Surplus											Non Controlling Interest	Total
	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Statutory Reserve pursuant to section 29C of the NHB Act, 1987	Share Options Outstanding	Securities Premium Account	Debenture Redemption Reserve	Capital Redemption Reserve	General Reserve	Capital Reserve	Retained Earnings	Other Comprehensive income	Total Other Equity		
Balance as at March 31, 2020	**1,28,431.30**	**2,882.57**	**89.06**	**1,84,927.96**	**-**	**2,328.98**	**1,01,124.46**	**7,871.88**	**3,09,666.82**	**(1,567.11)**	**7,35,755.92**	**11,629.45**	**7,47,385.37**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	-	1,06,352.34	-	1,06,352.34	1,419.20	1,07,771.54
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	-	1,181.15	1,181.15	0.71	1,181.86
Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	-	768.97	768.97	-	768.97
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan and Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	-	(633.44)	(633.44)	(0.18)	(633.62)
Share Premium received during the year on exercise of ESOPs	-	-	-	5.28	-	-	-	-	-	-	5.28	-	5.28
Expenses on Employee Stock Option Plan	-	-	1,929.15	-	-	-	-	-	-	-	1,929.15	23.92	1,953.07
Transferred to Retained Earnings	-	-	(1.40)	-	-	-	-	-	1.40	-	-	-	-
Adjustment on Exercise of Employee Stock Option Plan	-	-	(4.76)	-	-	-	-	-	-	-	(4.76)		(4.76)
Interim Equity Dividend FY 2020-21	-	-	-	-	-	-	-	-	(13,200.93)	-	(13,200.93)	-	(13,200.93)
Transfer to Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	20,490	-	-	-	-	-	-	-	(20,490.00)	-	-	-	-
Transfer to Statutory Reserve pursuant to section 29C of the NHB Act, 1987	-	968.72	-	-	-	-	-	-	(968.72)	-	-	-	-
Transfer to General reserve	-	-	-	-	-	-	10,250.00	-	(10,250.00)	-	-	-	-
Balance as at March 31, 2021	**1,48,921.30**	**3,851.29**	**2,012.05**	**1,84,933.24**	**-**	**2,328.98**	**1,11,374.46**	**7,871.88**	**3,71,110.91**	**(250.44)**	**8,32,153.68**	**13,073.10**	**8,45,226.78**

See accompanying notes forming part of the financial statements.

As per our report of even date
For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number : 100515W

Anagha M.Nanivadekar
Partner
Membership No.121007
Pune, April 30, 2021

Place: Chennai
Date : April 30, 2021

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

1. CORPORATE INFORMATION

Shriram City Union Finance Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing small and medium enterprises, two-wheelers and pledged jewels. It also provides personal loans and auto loans. The Company is a Deposit Accepting Non- Banking Finance Company (NBFC) registered as a Loan Company with the Reserve Bank of India (RBI) and Ministry of Corporate Affairs. The registration details are as follows:

RBI 07-00458

Corporate Identity Number (CIN) L65191TN1986PLC012840

IRDA CA0652

Shriram Capital Limited is the promoter of the Company.

The registered office of the Company is at No.123, Angappa Naicken Street, Chennai – 600 001. The principal place of business is at No.144, Santhome High Road, Mylapore, Chennai – 600 004. The financial statements of the Group for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on April 30, 2021.

2. BASIS OF PREPARATION

The Consolidated Financial Statements relates to M/s. Shriram City Union Finance Limited (the "Company") and its subsidiary (together hereinafter referred to as "the Group"). The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable on an accrual basis.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting policies have been consistently applied to all periods presented, unless otherwise stated except where a newly – issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 8 - Significant accounting judgements, estimates and assumptions.

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded off to the nearest lacs upto two decimals, except when otherwise indicated.

3. PRESENTATION OF FINANCIAL STATEMENT

(i) The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2021 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The consolidated financial statements of the Group have been prepared in accordance with the Ind AS 110- 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Act and the other relevant provisions of the Act.

(iii) The Consolidated Financial Statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.

b) The excess of cost to the Company of its investments in the subsidiary over its share of equity of the subsidiary, at the dates on which the investments in the subsidiary is made, is recognised as 'Goodwill' being an asset

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiary as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the Consolidated Financial Statements.

c) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets and liabilities as of the date of disposal is recognised in the Statement of Profit and Loss as profit or loss on disposal of subsidiary.

d) Non-controlling interest, if any, in the net assets of consolidated subsidiary consists of the amount of equity attributable to the non-controlling shareholders at the dates on which investments are made by the Company in the subsidiary and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(iv) The subsidiary considered in the Consolidated Financial Statements are as below

Name of the subsidiary	Country of incorporation	Share of ownership interest as at March 31, 2021
Shriram Housing Finance Limited (SHFL)	India	77.25%

4. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 ("the Act") applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Group and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

5. STATEMENT OF COMPLIANCE

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the other relevant provisions of the Act.

6. RECENT ACCOUNTING DEVELOPMENTS

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division III which relate to Non-banking financial companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved

schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

- Disclosures in respect of certain ratios including capital adequacy ratio and liquidity coverage ratio.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

7. SIGNIFICANT ACCOUNTING POLICIES

7.1 Financial instruments

i. Classification of financial instruments

a. Financial Assets

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost (amortised cost)
2. Financial assets to be measured at fair value through other comprehensive income (FVTOCI)
3. Financial assets to be measured at fair value through profit or loss account (FVTPL)

The classification depends on the contractual terms of the financial assets, cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.
- At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassesses its business models each reporting period to determine whether the business model/(s) have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business model.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the

contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss

b. Financial Liabilities

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

ii. Financial assets measured at amortised cost

Financial assets are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

Financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

These financial assets comprise bank balances, Loans, investments and other financial assets.

iii. These financial assets comprise bank balances, Loans, investments and other financial assets.

Financial Assets other than equity instruments: These financial assets are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the consolidated statement of profit and loss. As at the reporting date the Group does not have any financial instrument other than equity shares measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

iv. Items at fair value through profit or loss

Financial assets which are not classified in any of the above categories are measured at FVTPL.

Items at fair value through profit or loss comprise:

a. Investments (including equity shares) held for trading;

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

b. Items specifically designated as fair value through profit or loss on initial recognition;

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date the Group does not have any financial instruments designated as measured at fair value through profit or loss.

c. Debt instruments with contractual terms that do not represent solely payments of principal and interest. As

at the reporting date the Group does not have any such financial instruments measured at fair value through profit or loss.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the consolidated statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the consolidated statement of profit and loss as they arise.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Group has not designated any financial instruments as measured at fair value through profit or loss.

v. Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Group undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

vi. Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

vii. Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the consolidated statement of profit and loss.

- The premium is recognised in the consolidated statement of profit and loss on a straight-line basis over the life of the guarantee.

viii. Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition apart from the exceptional circumstances in which Group changes its business model for managing financial assets. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities until the year ended March 31, 2021.

ix. Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Group.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

i. The Group has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

ii. The Group cannot sell or pledge the original asset other than as security to the eventual recipients

iii. The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the consolidated statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the consolidated statement of profit and loss as per Ind AS 109. Also, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another

from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date the Group does not have any financial liabilities which have been derecognised.

(x) Impairment of financial assets

Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on individual basis, depending on the nature of the underlying portfolio of financial instruments. The Group has grouped its loan portfolio into Gold Loan, Auto Loans, MSME Loans, Two Wheeler Loans, Personal Loans, Pre-owned Two Wheeler loan, Loan Against Property and Housing Loans.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Group may classify the financial asset in Stage 3 accordingly.

As required by RBI Circular reference no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020; where impairment allowance under Ind AS 109 is lower than the provisioning required as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc., the Group shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020, April 17, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package, the

Group has granted moratorium upto six months on the payment of installments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers. In respect of accounts overdue but standard at February 29, 2020 where moratorium benefit has been granted, the staging of such accounts remained stand still during the moratorium period. Based on an assessment by the Group, this relaxation has not been deemed to be automatically triggering significant increase in credit risk. The Group continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. The provision in respect of expected credit losses on loans and advances consequent to COVID 19 pandemic has been made on the basis of estimation of probable defaults and future business estimates. These estimates would be periodically reviewed based on the future business scenario. However, actual results are uncertain and could be different from such estimates.

Loan commitments:

When estimating expected credit loss for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Credit-impaired financial assets:

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts

The Group's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the consolidated statement of profit and loss, and the ECL provision. For this purpose, the Group estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the Group has not recognised any ECL in respect of financial guarantee based on estimate of expected cash flows.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the consolidated balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Group does not have any debt instruments measured at fair value through OCI.

The mechanics of ECL:

The Group calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference

between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

The above calculated PDs, EAD and LGDs are reviewed annually and changes in the forward looking estimates are analysed.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, assets under legal repossession processes are not recorded on the consolidated balance sheet.

(xi) Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the consolidated statement of profit and loss.

(xii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in note 7.1(iii) to 7.1(vi)) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume

and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

7.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

Fees and commissions are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

(iv) Net gain or loss on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the consolidated statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Group does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Consolidated Statement of Profit and Loss.

(v) Recoveries of financial assets written off

The Group recognises income on recoveries of financial assets written off on realisation basis.

(vi) Net gain or loss on derecognition of financial instruments under amortised cost category

Net gain or loss on derecognition of financial instruments under amortised cost category is recognised upfront in the statement of profit and loss, being the difference between the carrying amount (measured at the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) .

7.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the amortised cost of the financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in Finance Cost with the corresponding adjustment to the carrying amount of the Liabilities.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services

rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Group are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Group fully contributes all ascertained liabilities to The Trustees – SCUF Employees Group Gratuity Trust and Shriram Housing Finance Company Employees Group Gratuity Fund. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Group's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Consolidated Statement of Profit and Loss.

The Group presents the Provision for compensated absences under provisions in the Consolidated Balance Sheet.

Employee Stock Options

Eligible employees in terms of the Employees Stock Options Scheme of the Group receive remuneration in the form of share-based payments, whereby employees

render services as consideration for equity instruments granted (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised, together with a corresponding increase in Share Option Outstanding Reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense / vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest.

(iii) Lease

The Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. After the commencement date, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is also remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest on the lease liability is recognised in the statement of Profit & Loss except to the extent that it can be allocated to any Property, Plant & Equipment. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet.

Rent concession consequent to modification of lease terms due to COVID 19 pandemic have been accounted for as other income with a reduction in lease liability in terms of practical expedient under IND AS 116 Leases.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

(iv) Other income and expenses

All Other income and expense are recognised in the period they occur.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid is charged to the consolidated statement of profit and loss as current tax. The Group recognises MAT credit available as an asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the consolidated statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(vii) Dividends on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Group. A corresponding amount is recognised directly in equity.

7.4 Foreign currency translation

(i) Functional and presentational currency

The consolidated financial statements are presented in Indian Rupees which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Consolidated Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

7.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

7.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes (other than those subsequently recoverable from the tax authorities) and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated. .

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years
Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	10 years	10 years
Electronic equipment	10 years	10 years
Office equipment	5 years	5 years
Refrigerator	10 years	10 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the consolidated statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

7.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the consolidated statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the consolidated Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Group's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the consolidated Statement of Profit and Loss when the asset is derecognised.

7.8 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the consolidated statement of profit and loss net of any reimbursement. As at reporting date, the Group does not have any such provisions where the effect of time value of money is material.

7.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are reviewed at each Balance Sheet date.

7.10 Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Contingent assets are reviewed at each Balance Sheet date.

7.11 Earning Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

8. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period and reported amounts of income and expenses for the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

8.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for

their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

8.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

8.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

8.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 7.1(x) Overview of ECL principles.

8.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

8.6 Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

8.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

9. CASH AND CASH EQUIVALENTS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	5,433.39	888.66
Balances with banks (of the nature of cash and cash equivalents)		
- Current Account	1,38,156.42	28,228.92
- Bank deposit with original maturity less than three months	2,48,051.84	1,94,936.20
Total	**3,91,641.65**	**2,24,053.78**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group and earn interest at the respective short-term deposit rates. The group has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

10. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
Unclaimed dividend accounts	86.42	92.88
Bank deposits with original maturity for more than 3 months*	44,135.99	25,208.45
Balance with banks to the extent held as Margin Money or security against the borrowings, guarantees, other commitments.**	1,00,086.75	72,557.70
Total	**1,44,309.16**	**97,859.03**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits March 31, 2021: ₹21,197.76 lacs (March 31, 2020: ₹ 20,181.02 lacs) towards SLR requirement for Public Deposits Outstanding

** includes Deposit under lien for Bank Guarantee purpose to the extent for March 31, 2021: ₹ 25 lacs (March 31, 2020: ₹ 25 lacs) and includes deposit under lien with bank pending completion of formalities relating to a borrower to the extent of March 31, 2021: ₹ 110 lacs (March 31, 2020: ₹ 110 lacs) and includes deposit under lien to the extent of ₹ 1,298.50 lacs marked in favour of IDBI Trusteeship Services Limited in respect to securitisation as cash collateral (March 31, 2020: ₹ 647.50 lacs) and also includes deposit under lien to extent of ₹ 70 lacs in favour of ICICI Bank in respect of sourcing and servicing agreement.(March 31, 2020: Nil)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

11. RECEIVABLES

(I) Trade Receivables

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables	239.62	93.12
Less: Impairment loss allowances	(9.63)	(3.36)
Total	**229.99**	**89.76**

(II) Other Receivables

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Other Receivables	-	0.65
Total	**-**	**0.65**

No trade or other receivable are due from directors or other officers of the group either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member. No ECL is provided on other than trade receivable as the receivables are considered as good.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

As at March 31, 2021

₹ in lacs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	239.62	-	-	-	-	239.62
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**239.62**	**-**	**-**	**-**	**-**	**239.62**
ECL - Simplified approach	**(9.63)**	**-**	**-**	**-**	**-**	**(9.63)**
Net carrying amount	**229.99**	**-**	**-**	**-**	**-**	**229.99**

11. RECEIVABLES (Contd.)

As at March 31, 2020

₹ in lacs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	93.12	-	-	-	-	93.12
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**93.12**	**-**	**-**	**-**	**-**	**93.12**
ECL - Simplified approach	**(3.36)**	**-**	**-**	**-**	**-**	**(3.36)**
Net carrying amount	**89.76**	**-**	**-**	**-**	**-**	**89.76**

Other Receivables

As on March 31, 2021: Nil

As at March 31, 2020

₹ in lacs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	0.65	-	-	-	0.65
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	-	**0.65**	**-**	**-**	**-**	**0.65**
ECL - Simplified approach	-	**-**	**-**	**-**	**-**	**-**
Net carrying amount	-	**0.65**	**-**	**-**	**-**	**0.65**

Reconciliation of impairment allowance on trade receivable

(₹ in lacs)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2019	**-**
Add: Addition during the year	3.36
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2020	**3.36**
Add: Addition during the year	6.27
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2021	**9.63**

12. LOANS AND ADVANCES

₹ in lacs

Particulars	As at March 31, 2021					As at March 31, 2020				
	At amortised Cost	At fair value			Total	At amortised Cost	At fair value			Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account			Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	
(A)										
i) Term loans*	32,89,128.66	-	-	-	32,89,128.66	30,68,089.28	-	-	-	30,68,089.28
ii) Others	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	**32,89,128.66**	**-**	**-**	**-**	**32,89,128.66**	**30,68,089.28**	**-**	**-**	**-**	**30,68,089.28**
Less: Impairment loss allowance	2,09,348.78		-	-	2,09,348.78	2,07,987.92	-	-	-	2,07,987.92
Total (A) - Net	**30,79,779.88**	**-**	**-**	**-**	**30,79,779.88**	**28,60,101.36**	**-**	**-**	**-**	**28,60,101.36**
(B)										
i) Secured by tangible assets*	29,06,943.43	-	-	-	29,06,943.43	26,38,889.75	-	-	-	26,38,889.75
ii) Unsecured	3,82,185.23	-	-	-	3,82,185.23	4,29,199.53	-	-	-	4,29,199.53
Total (B) - Gross	**32,89,128.66**	**-**	**-**	**-**	**32,89,128.66**	**30,68,089.28**	**-**	**-**	**-**	**30,68,089.28**
Less: Impairment loss allowance	2,09,348.78	-	-	-	2,09,348.78	2,07,987.92	-	-	-	2,07,987.92
Total (B) - Net	**30,79,779.88**	**-**	**-**	**-**	**30,79,779.88**	**28,60,101.36**	**-**	**-**	**-**	**28,60,101.36**
(C)										
Loans in India										
i) Public Sector	-	-	-	-	-	-	-	-	-	-
ii) Others										
Corporate	1,21,452.64	-	-	-	1,21,452.64	1,49,172.21	-	-	-	1,49,172.21
Retail*	31,67,676.02	-	-	-	31,67,676.02	29,18,917.07	-	-	-	29,18,917.07
Total (C) - Gross	**32,89,128.66**	**-**	**-**	**-**	**32,89,128.66**	**30,68,089.28**	**-**	**-**	**-**	**30,68,089.28**
Less: Impairment loss allowance	2,09,348.78	-	-	-	2,09,348.78	2,07,987.92	-	-	-	2,07,987.92
Total (C) - Net	**30,79,779.88**	**-**	**-**	**-**	**30,79,779.88**	**28,60,101.36**	**-**	**-**	**-**	**28,60,101.36**
(D)										
Loans outside India	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-
Total (D) - Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**30,79,779.88**	**-**	**-**	**-**	**30,79,779.88**	**28,60,101.36**	**-**	**-**	**-**	**28,60,101.36**

* Includes ₹ 126.45 lacs (March 31, 2020: Nil) loan given to related party

12. LOANS AND ADVANCES (Contd.)

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in note 47.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 47.2

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade								
Performing								
High grade	20,71,751.88	-	-	20,71,751.88	23,07,804.30	-	-	23,07,804.30
Standard grade	7,78,233.30	-	-	7,78,233.30	3,47,513.17	-	-	3,47,513.17
Sub-standard grade	-	1,16,763.01	-	1,16,763.01	-	1,46,597.84	-	1,46,597.84
Past due but not impaired	-	1,28,359.53	-	1,28,359.53	-	34,996.22	-	34,996.22
Non- performing	-	-	1,94,020.94	1,94,020.94	-	-	2,31,177.75	2,31,177.75
Total	**28,49,985.18**	**2,45,122.54**	**1,94,020.94**	**32,89,128.66**	**26,55,317.47**	**1,81,594.06**	**2,31,177.75**	**30,68,089.28**

An analysis of changes in the gross carrying amount as follows:

₹ in lacs

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**26,55,317.47**	**1,81,594.06**	**2,31,177.75**	**30,68,089.28**	**23,34,566.72**	**4,78,925.82**	**2,62,833.75**	**30,76,326.29**
New assets originated or purchased	18,65,195.82	57,215.90	12,476.91	19,34,888.62	22,97,603.68	47,053.11	22,918.36	23,67,575.15
Assets derecognised or repaid (excluding write offs)	(14,92,252.63)	(86,109.96)	(50,417.83)	(16,28,780.42)	(19,46,693.64)	(2,55,921.98)	(95,812.39)	(22,98,428.01)
Transfers to Stage 1	78,395.10	(73,386.17)	(5,008.94)	-	1,66,467.37	(1,61,884.99)	(4,582.38)	-
Transfers to Stage 2	(1,85,156.12)	1,91,566.76	(6,410.64)	-	(1,28,332.84)	1,32,775.89	(4,443.05)	-
Transfers to Stage 3	(65,747.04)	(25,523.58)	91,270.62	-	(66,710.16)	(52,595.87)	1,19,306.03	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(406.77)	239.35	167.41	-	-	-	-	-
Amounts written off	(5,360.65)	(473.82)	(79,234.33)	(85,068.81)	(1,583.66)	(6,757.91)	(69,042.58)	(77,384.15)
Gross carrying amount closing balance	**28,49,985.18**	**2,45,122.54**	**1,94,020.94**	**32,89,128.66**	**26,55,317.47**	**1,81,594.06**	**2,31,177.75**	**30,68,089.28**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

12. LOANS AND ADVANCES (Contd.)

Reconciliation of ECL balance is given below:

₹ in lacs

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**84,906.59**	**11,346.88**	**1,11,734.44**	**2,07,987.92**	**59,815.56**	**21,945.39**	**1,13,490.29**	**1,95,251.24**
New assets originated or purchased	42,538.16	2,212.18	2,524.51	47,274.85	50,341.42	2,418.81	6,613.36	59,373.60
Transfers to Stage 1	7,924.32	(5,290.03)	(2,634.29)	-	10,602.02	(8,679.21)	(1,922.81)	-
Transfers to Stage 2	(7,099.66)	10,415.51	(3,315.85)	-	(3,435.87)	5,346.35	(1,910.48)	-
Transfers to Stage 3	(2,890.50)	(2,478.98)	5,369.49	-	(2,044.77)	(3,002.15)	5,046.92	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(29,733.92)	1,055.11	67,833.65	39,154.83	(28,788.12)	75.60	59,459.75	30,747.23
Amounts written off	(5,360.65)	(473.82)	(79,234.34)	(85,068.81)	(1,583.66)	(6,757.91)	(69,042.58)	(77,384.15)
ECL allowance - closing balance	**90,284.33**	**16,786.85**	**1,02,277.61**	**2,09,348.78**	**84,906.59**	**11,346.88**	**1,11,734.45**	**2,07,987.92**

Out of loan balances written off during the year ₹85,068.81 lacs (March 31, 2020: ₹ 77,384.15 lacs) ₹ 77,796.18 lacs and ₹ 66,394.92 lacs respectively are subject to enforcement activity by the group.

13. INVESTMENTS

₹ in lacs

Particulars	Amortised Cost	At Fair value			Sub-total (At Fair Value)	Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at Fair value through profit and loss account		
As at March 31, 2021						
i) Mutual funds	-	-	434.03	-	434.03	434.03
ii) Government securities	8,638.94	-	-	-	-	8,638.94
iii) Equity instruments	-	9,686.10	-	-	9,686.10	9,686.10
iv) Investments in Pass Through Certificate	161.00	1,396.86	-	-	1,396.86	1,557.86
v) Security Receipts	-	-	980.24	-	980.24	980.24
vi) Treasury Bills	66,090.73	-	-	-	-	66,090.73
vii) Deposits with Financial Institutions	5,027.50	-	-	-	-	5,027.50
Total Gross (A)	**79,918.17**	**11,082.96**	**1,414.27**	**-**	**12,497.23**	**92,415.40**
(i) Investments outside India	-	9,686.10	-	-	9,686.10	9,686.10
(ii) Investments in India	79,918.17	1,396.86	1,414.27	-	2,811.13	82,729.30
Total Gross (B)	**79,918.17**	**11,082.96**	**1,414.27**	**-**	**12,497.23**	**92,415.40**
Less: Allowance for impairment loss (C)	**(7.27)**	**(1.23)**	**-**	**-**	**(1.23)**	**(8.50)**
Total - Net D = (A) - (C)	**79,910.90**	**11,081.73**	**1,414.27**	**-**	**12,496.00**	**92,406.90**
As at March 31, 2020						
i) Mutual funds	-	-	12,767.35	-	12,767.35	12,767.35
ii) Government securities	21,018.89	-	-	-	-	21,018.89
iii) Equity instruments	-	8,917.14	-	-	8,917.14	8,917.14
iv) Pass through certificates	-	1,840.73	-	-	1,840.73	1,840.73
v) Security Receipts	-	-	1,327.92	-	1,327.92	1,327.92
vi) Treasury Bills	26,447.95	-	-	-	-	26,447.95
Total Gross (A)	**47,466.84**	**10,757.87**	**14,095.27**	**-**	**24,853.14**	**72,319.98**
(i) Investments Outside India	-	8,917.14	-	-	8,917.14	8,917.14
(ii) Investments in India	47,466.84	1,840.73	14,095.27	-	15,936.00	63,402.84
Total Gross (B)	**47,466.84**	**10,757.87**	**14,095.27**	**-**	**24,853.14**	**72,319.98**
Less: Allowance for impairment loss (C)	**-**	**(1.81)**	**-**	**-**	**(1.81)**	**(1.81)**
Total - Net D = (A) - (C)	**47,466.84**	**10,756.06**	**14,095.27**	**-**	**24,851.33**	**72,318.17**

More information regarding the valuation methodologies can be found in Note 46.7

The Group received dividends of ₹ 190.28 lacs (March 31, 2020: ₹ 171.21 lacs) from its investments measured at FVTOCI securities, recorded as dividend income.

The Group has on June 30, 2019, reclassified its investments in Quoted Equity instruments held in Ceylinco Insurance PLC (carrying value as at the date of the transfer ₹ 10,603.97 lacs) from FVTPL to FVTOCI. The reclassification to FVTOCI is irrevocable and was necessitated since the group revised its business model on that date to hold these investments as a long term investment unlike the earlier business model of its disposal in near future. Accordingly, the fair value loss of ₹ 1,022.73 lacs till June 30, 2019, has been recorded through profit and loss and fair value loss of ₹ 664.10 lacs thereafter has been recorded through the other comprehensive income.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

13. INVESTMENTS (Contd.)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances . Details of the Group's internal grading system are explained in note 47.2.

₹ in lacs

Internal Grade Rating	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Performing								
High grade	91,018.54	-	-	91,018.54	70,479.25	-	-	70,479.25
Standard grade	1,396.86	-	-	1,396.86	1,840.73	-	-	1,840.73
Total	**92,415.40**	**-**	**-**	**92,415.40**	**72,319.98**	**-**	**-**	**72,319.98**

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	**72,319.98**	**-**	**-**	**72,319.98**	**92,097.14**	**-**	**-**	**92,097.14**
New assets originated or purchased	2,74,207.54	-	-	2,74,207.54	22,80,891.10	-	-	22,80,891.10
Assets derecognised or matured	(2,57,747.33)	-	-	(2,57,747.33)	(23,01,840.02)	-	-	(23,01,840.02)
Other changes								
Amortisation of G-sec Premium	(71.20)	-	-	(71.20)	(123.94)	-	-	(123.94)
Interest on investment at amortised cost	2,870.77	-	-	2,870.77	2,951.00	-	-	2,951.00
Change in fair value								
OCI	768.97	-	-	768.97	(664.10)	-	-	(664.10)
Profit & Loss	66.67	-	-	66.67	(991.20)	-	-	(991.20)
Closing balance	**92,415.40**	**-**	**-**	**92,415.40**	**72,319.98**	**-**	**-**	**72,319.98**

Reconciliation of ECL balance is given below:

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**1.81**	**-**	**-**	**1.81**	**4.74**		**-**	**4.74**
New assets originated or purchased	7.26	-	-	7.26	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Unwind of discount (recognised in interest income)	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	
Assets derecognised or matured	(0.44)	-	-	(0.44)	(2.52)	-	-	(2.52)
ECL assumption changes	(0.13)	-	-	(0.13)	(0.41)	-	-	(0.41)
Closing balance in ECL	**8.50**	**-**	**-**	**8.50**	**1.81**	**-**	**-**	**1.81**

14. OTHER FINANCIAL ASSETS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	2,662.13	2,335.64
Assignment receivable	12,585.01	7,050.53
Less: ECL on Assignment Receivable	(372.49)	(247.15)
Interest receivable on Pass through certificates	7.42	10.85
Less: Allowance for impairment against interest receivable on PTC	(0.01)	(0.01)
Lease Receivable	11.65	14.72
Less: ECL on Lease Receivable	(0.25)	(0.47)
Other receivables	9.75	2,436.93
COVID-19 Relief Ex-Gratia Scheme Receivable	342.83	-
Employee benefits recoverable from former employers for transfer of employees	988.03	1,017.10
Total	**16,234.07**	**12,618.14**

Reconciliation of impairment allowance

₹ in lacs

Particulars	Amount		
	Assignment Receivable	Net Lease Receivable	Interest receivable on PTC
Impairment allowance measured as per simplified approach			
Impairment allowance as per March 31, 2019	**-**	**-**	**0.03**
Add: Addition during the year	247.15	0.47	-
Less: Reversal during the year	-	-	(0.02)
Impairment allowance as per March 31, 2020	**247.15**	**0.47**	**0.01**
Add: Addition during the year	125.34	-	-
Less: Reversal during the year	-	(0.22)	-
Impairment allowance as per March 31, 2021	**372.49**	**0.25**	**0.01**

15. PROPERTY, PLANT AND EQUIPMENTS

₹ in lacs

Particulars	Land-Freehold	Building	Office equipments	Electrical Installations	Computer Equipments	Furniture & Fixtures	Vehicles	Leasehold Improvements	Total
Cost:									
As at April 1, 2019	**2.59**	**12.94**	**3,235.57**	**3,521.56**	**7,662.36**	**2,664.58**	**57.35**	**13,092.62**	**30,249.57**
Additions	-	-	59.41	396.67	623.76	204.67	13.45	1,044.20	2,342.16
Disposals	-	-	65.20	105.35	352.90	25.31	0.54	113.18	662.47
As at March 31, 2020	**2.59**	**12.94**	**3,229.78**	**3,812.88**	**7,933.22**	**2,843.94**	**70.26**	**14,023.64**	**31,929.27**
Additions	-	-	69.14	189.49	793.72	117.77	27.52	685.58	1,883.22
Disposals	-	-	5.77	125.06	533.28	40.55	16.57	278.28	999.51
As at March 31, 2021	**2.59**	**12.94**	**3,293.15**	**3,877.31**	**8,193.66**	**2,921.16**	**81.21**	**14,430.94**	**32,812.98**
Accumulated depreciation and impairment:									
As at April 1, 2019	**-**	**3.85**	**2,556.99**	**1,402.44**	**5,686.82**	**1,459.31**	**25.38**	**10,492.30**	**21,627.09**
Disposals	-	-	57.23	68.90	334.73	19.09	0.36	88.66	568.97
Depreciation charge for the year	-	0.17	207.17	342.62	997.80	205.48	5.91	1,321.98	3,081.13
As at March 31, 2020	**-**	**4.02**	**2,706.93**	**1,676.16**	**6,349.89**	**1,645.70**	**30.93**	**11,725.62**	**24,139.25**
Disposals	-	-	5.51	87.59	506.65	24.90	11.80	246.97	883.42
Depreciation charge for the year	-	0.17	145.53	349.42	834.78	202.37	7.77	1,175.84	2,715.88
As at March 31, 2021	**-**	**4.19**	**2,846.95**	**1,937.99**	**6,678.02**	**1,823.17**	**26.90**	**12,654.49**	**25,971.71**
Net carrying amount as at March 31, 2020	**2.59**	**8.92**	**522.85**	**2,136.72**	**1,583.33**	**1,198.24**	**39.33**	**2,298.02**	**7,790.02**
Net carrying amount as at March 31, 2021	**2.59**	**8.75**	**446.20**	**1,939.32**	**1,515.64**	**1,097.99**	**54.31**	**1,776.45**	**6,841.27**

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2021 is ₹ 2.31 lacs (March 31 2020: ₹ 2.31 lacs).

16. OTHER INTANGIBLE ASSETS

₹ in lacs

Particulars	Computer Software
Cost:	
As at April 01, 2019	**4,382.19**
Additions	518.29
Disposals	-
As at March 31, 2020	**4,900.48**
Additions	150.37
Disposals	-
As at March 31, 2021	**5,050.85**
Accumulated amortisation and impairment:	
As at April 01, 2019	**3,894.79**
Depreciation charge for the year	237.06
Disposals	-
As at March 31, 2020	**4,131.85**
Depreciation charge for the year	275.64
Disposals	
As at March 31, 2021	**4,407.49**
Net carrying amount as at March 31, 2020	**768.63**
Net carrying amount as at March 31, 2021	**643.36**

17. RIGHT OF USE ASSETS

As at March 31, 2021

₹ in lacs

Sr No.	Class of Underlying Asset	Opening Balance of Right-of-Use assets (Balance as on April 1, 2020)	Additions to Right-of-Use Assets, made during the year	Reduction in Right-of-Use Assets due to termination of Lease agreement	Amortisation for the year	Amount of Right-Of-Use Asset as on March 31, 2021
1	Office Premises	16,335.23	6,675.50	994.46	5,608.40	16,407.87
2	Furniture, Fittings & Others	243.55	-	-	112.54	131.01
	Total	**16,578.78**	**6,675.50**	**994.46**	**5,720.94**	**16,538.88**

As at March 31, 2020

₹ in lacs

Sr No.	Class of Underlying Asset	Opening Balance of Right-of-Use assets (Balance as on April 1, 2019)	Recognised on transition as on April 1, 2019 of IND As 116 - Leases	Additions to Right-of-Use Assets, made during the year	Reduction in Right-of-Use Assets due to termination of Lease agreement	Amortisation for the year	Amount of Right-Of-Use Asset as on March 31, 2020
1	Office Premises	-	16,734.06	5,776.22	648.06	5,526.99	16,335.23
2	Furniture, Fittings & Others	-	352.20	12.33	7.88	113.10	243.55
	Total	**-**	**17,086.26**	**5,788.55**	**655.94**	**5,640.09**	**16,578.78**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

18. OTHER NON-FINANCIAL ASSETS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Goods and Service tax credit (input) receivable	9,035.62	6,317.85
Other Advances	250.42	243.88
Statutory duties paid under protest	766.66	766.66
Capital advances	88.06	71.09
Prepaid expenses	1,532.05	1,817.14
Repossessed House Property	7,116.63	7,290.55
Deposit with gratuity fund in excess of obligation	1,357.17	-
Total	**20,146.61**	**16,507.17**

19. OTHER PAYABLES

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
(i) total outstanding dues of micro enterprises and small enterprises	18.90	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8,333.36	8,096.32
Total	**8,352.26**	**8,096.32**

As at March 31, 2021

₹ in lacs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	18.90	-	-	-	18.90
Others	8,331.37	1.99	-	-	8,333.36
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
Total	**8,350.27**	**1.99**	**-**	**-**	**8,352.26**

As at March 31, 2020

₹ in lacs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	8,096.32	-	-	-	8,096.32
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
Total	**8,096.32**	**-**	**-**	**-**	**8,096.32**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

20. DEBT SECURITIES

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Redeemable Non-Convertible Debentures (Secured)								
Public issue*	86,924.21	-	-	86,924.21	84,955.43	-	-	84,955.43
Privately placed **	3,89,851.76	-	-	3,89,851.76	3,92,996.77	-	-	3,92,996.77
Redeemable Non-Convertible Debentures (Unsecured)								
Privately placed	7,476.85	-	-	7,476.85	7,372.74	-	-	7,372.74
Total	**4,84,252.82**	**-**	**-**	**4,84,252.82**	**4,85,324.94**	**-**	**-**	**4,85,324.94**
Debt securities in India	4,84,252.82	-	-	4,84,252.82	4,85,324.94	-	-	4,85,324.94
Debt securities outside India	-	-	-	-	-	-	-	-
Total	**4,84,252.82**	**-**	**-**	**4,84,252.82**	**4,85,324.94**	**-**	**-**	**4,85,324.94**

* Includes ₹ 5,192.17 lacs (March 31, 2020 ₹5,167.81 lacs) issued to related parties.

** Includes ₹2,389.31 lacs (March 31, 2020 ₹2,311.51 lacs) issued to related parties.

A. Public Issue of Redeemable Non-Convertible Debentures (NCDs) Secured of ₹ 1,000/- each - Quoted

(i) Issued in 2019

₹ in lacs

Tranche I Series	Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
Series I	9.55%	42,330.07	41,656.21	30-Apr-21
Series II	9.54%	2,955.37	2,650.23	30-Apr-21
Series III	9.65%	6,985.01	6,910.72	30-Apr-22
Series IV	9.26%	4,034.35	3,986.74	30-Apr-22
Series V	9.64%	2,902.22	2,615.41	30-Apr-22
Series VI	9.75%	7,065.31	7,020.61	30-Apr-24
Series VII	9.35%	3,431.69	3,407.24	30-Apr-24
Series VIII	9.75%	2,450.56	2,216.93	30-Apr-24
		72,154.58	**70,464.09**	

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

20. DEBT SECURITIES (Contd.)

₹ in lacs

Tranche II Series	Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
Series I	9.55%	3,098.30	3,069.75	25-Sep-21
Series II	9.55%	617.73	558.28	25-Sep-21
Series III	9.70%	1,646.07	1,636.06	25-Sep-22
Series IV	9.30%	1,313.58	1,305.02	25-Sep-22
Series V	9.71%	938.58	850.15	25-Sep-22
Series VI	9.85%	5,420.43	5,401.17	25-Sep-24
Series VII	9.45%	1,092.30	1,088.07	25-Sep-24
Series VIII	9.88%	642.64	582.84	25-Sep-24
		14,769.63	**14,491.34**	
Grand Total - Tranche I and II		**86,924.21**	**84,955.43**	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the Group's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

The Group had utilised the entire sum of ₹ 78,200.81 lacs raised from public issue (net off expenses) towards financing activities as per the objects stated in the prospectus for the issue, and will have the flexibility in deploying the net proceeds and pending utilisation, if any, in temporarily investment in mutual funds, deposits with banks/institutions.

Secured redeemable non- convertible debentures may be bought back subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Group.

B. Redeemable Non-Convertible Debentures - Secured

Privately Placed Redeemable Non-Convertible Debenture -Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 10,00,000/- each - Quoted and for two INEs - INE722A07AG5 and INE722A07AH3, the face value is ₹ 1,00,000/- each

₹ in lacs

Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
8.20%	-	14,645.08	16-Apr-20
8.15%	-	43,630.87	27-May-20
9.30%	-	5,366.91	17-Jun-20
9.30%	-	5,358.07	22-Jun-20
8.15%	-	623.85	30-Jun-20
7.97%	-	24,174.40	6-Oct-20
7.97%	-	31,002.57	27-Oct-20
9.00%	-	4,148.82	27-Oct-20
9.40%	-	23,734.92	30-Dec-20
10.75% *	-	100.68	4-Feb-21
9.00%	-	5,056.62	12-Feb-21
9.50%	2,142.46	2,141.91	1-Jul-21
8.97%	3,539.24	3,539.24	12-Aug-21
9.80% #	-	63,017.54	21-Sep-21
10.25%	4,708.77	4,690.73	10-Oct-21
10.25%	1,568.27	1,561.85	13-Oct-21

20. DEBT SECURITIES (Contd.)

₹ in lacs

Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
9.35%	1,534.72	1,531.78	26-Dec-21
9.70%**	54,807.61	54,173.67	5-Mar-22
8.98%	15,540.55	-	9-Mar-22
8.15%	9,983.63	-	21-Mar-22
9.90%	10,290.26	9,390.72	4-Apr-22
8.98%	20,713.25	-	6-Apr-22
8.15%	10,344.85	-	22-Apr-22
8.15%	2,529.63	-	18-May-22
8.95%	20,034.55	-	18-Aug-22
9.90%	10,992.93	10,013.85	29-Sep-22
8.09%	8,202.91	8,201.41	5-Dec-22
8.60%	14,825.47	-	27-Jan-23
9.25%	49,812.53	49,515.13	28-Feb-23
8.60%	47,903.37	-	1-Mar-23
9.25%**	2,479.95	2,460.66	5-Mar-23
8.90%	11,513.58	11,511.94	27-Mar-23
8.40%	19,705.94	-	30-Mar-23
9.00%	2,699.23	2,695.18	29-Apr-23
9.00%	1,618.41	1,615.98	2-May-23
8.40%	29,091.02	-	17-May-23
8.55%	4,264.59	-	5-Jun-23
9.25%	4,970.79	4,949.96	28-May-24
10.30%	4,153.85	4,142.43	10-Oct-24
9.25%	975.18	-	8-Feb-30
9.25%	4,833.76	-	22-Feb-30
9.60%	1,733.75	-	11-Dec-30
9.42%	2,121.20	-	15-Jan-31
9.50%	2,926.36	-	7-Feb-31
9.50%	7,289.15	-	21-Feb-31
Total	**3,89,851.76**	**3,92,996.77**	

* Repaid in installments.

Preclosed in Sep 2020.

** Two NCDs having INEs INE722A07AG5 and INE722A07AH3 have face value of ₹ 1,00,000/- each

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Group's specifically identified assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 18 months to 120 months from the date of allotment depending on the terms of the agreement.

Out of the above, the following INE722A07AE0, INE722A07AF7 and INE722A07AG5 are totalling to ₹ 57,263.26 lacs (March 31, 2020 : 56,925.75 lacs) are having put option facility, as may be subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Group.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

20. DEBT SECURITIES (Contd.)

C. Redeemable Non-Convertible Debentures - Unsecured

Privately Placed Redeemable Non-Convertible Debenture -Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 10,00,000/- each - Quoted

₹ in lacs

Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
10.60%	2,513.00	2,468.36	9-May-21
10.60%	2,488.13	2,455.54	9-May-22
10.60%	2,475.72	2,448.84	9-May-23
Total	**7,476.85**	**7,372.74**	

These unsecured redeemable non-convertible debentures are redeemable at par over a period of 24 months to 49 months from the date of allotment depending on the terms of the agreement.

21. BORROWINGS (OTHER THAN DEBT SECURITIES)

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Secured								
Term Loan								
from bank in INR	9,85,835.07	-	-	9,85,835.07	9,11,703.81	-	-	9,11,703.81
from financial institution/ NBFC in INR	2,87,417.80	-	-	2,87,417.80	77,520.84	-	-	77,520.84
from bank in INR-Securitisation	46,018.97	-	-	46,018.97	62,573.00	-	-	62,573.00
from financial institution/ NBFC in INR-Securitisation	2,99,853.14	-	-	2,99,853.14	3,19,206.50	-	-	3,19,206.50
Loans repayable on demand								
Cash credit / Overdraft facilities from banks	36,833.51	-	-	36,833.51	58,873.42	-	-	58,873.42
Working Capital demand loan from banks	1,81,514.47	-	-	1,81,514.47	1,57,988.63	-	-	1,57,988.63
Unsecured								
Commercial Papers	-	-	-	-	11,164.33	-	-	11,164.33
Total	**18,37,472.96**	**-**	**-**	**18,37,472.96**	**15,99,030.53**	**-**	**-**	**15,99,030.53**
Borrowings in India	18,37,472.96	-	-	18,37,472.96	15,99,030.53	-	-	15,99,030.53
Borrowings outside India	-	-	-	-		-	-	-
Total	**18,37,472.96**	**-**	**-**	**18,37,472.96**	**15,99,030.53**	**-**	**-**	**15,99,030.53**

21. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term Loan from Bank in Indian currency-Secured

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	7.20% to 11.50%	3 to 60 installments of monthly, quarterly, Half-yearly frequency and Bullet Payment	2,58,246.82
12-24 months	7.30% to 10.60%	3 to 60 installments of monthly, quarterly, Half-yearly frequency	2,92,139.80
24-36 months	7.60% to 10.25%	4 to 60 installments of monthly, quarterly, Half-yearly frequency	2,28,268.62
36-48 months	7.60% to 10.25%	8 to 60 installments of monthly, quarterly, Half-yearly frequency	1,84,292.25
48-60 months	7.60% to 10.25%	8 to 60 installments of monthly, quarterly, Half-yearly frequency	22,887.58
Total			**9,85,835.07**

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	7.55%-10.85%	2 to 60 installments of monthly, Quarterly, Half-yearly and annual frequency	1,61,489.37
12-24 months	8.35%-10.85%	3 to 24 installments of monthly, Quarterly, Half -yearly frequency	2,96,903.68
24-36 months	8.35%-10.60%	4 to 36 installments of monthly, Quarterly and Half-yearly frequency	2,32,163.29
36-48 months	8.60%-10.75%	4 to 19 installments of Quarterly and Half-yearly frequency	1,71,882.89
48-60 months	9.00%-10.00%	4 to 18 installments of Quarterly and Half-yearly frequency	49,264.58
Total			**9,11,703.81**

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

21. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term Loan from Financial Institutions/ NBFC-Secured

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	6.21% to 10.35%	4 to 120 Monthly, Quarterly installments & Bullet Payment	46,771.99
12-24 months	7.10% to 10.35%	12 to 120 Monthly, Quarterly Installments	16,598.39
24 to 36 months	7.10% to 10.35%	10 to 120 Monthly, Quarterly Installments	8,213.89
36-48 months	7.10% to 10.50%	20 to 120 Monthly, Quarterly, Half-yearly Installments	30,563.18
48 to 60 months	7.20% to 10.35%	20 to 120 Monthly, Quarterly Installments	1,46,182.10
Above 60 months	8.75% to 10.35%	20 to 120 Monthly, Quarterly Installments	39,088.25
Total			**2,87,417.80**

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
24 to 36 months	8.65% to 10.00%	12 to 20 Quarterly Installments	20,922.83
48 to 60 months	8.80% to 10.50%	19 to 20 Quarterly, Half-yearly installments	56,117.64
Above 60 months	9.85% to 9.95%	47 Quarterly installments	480.37
Total			**77,520.84**

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term loan from banks - INR -Securitisation

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
Upto 12 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	610.77
12-24 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	260.23
24 to 36 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	289.77
36-48 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	321.97
48 to 60 months	7.99% to 10.00%	1 to 290 installments of monthly frequency	38,963.25
Above 60 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	5,572.98
Total			**46,018.97**

21. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Total Amount
Upto 12 months	10.00%	227 installments of monthly frequency	212.48
12-24 months	10.00%	227 installments of monthly frequency	163.30
24 to 36 months	10.00%	227 installments of monthly frequency	183.62
36-48 months	10.00%	227 installments of monthly frequency	204.88
48 to 60 months	10.00%	227 installments of monthly frequency	225.19
Above 60 months	9.10% to 10.00%	1 to 227 installments of monthly frequency	61,583.53
Total			**62,573.00**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Term loan from Financial Institutions/ NBFC - INR -Securitisation

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
Upto 12 months	10.40%	1 to 23 installments of monthly frequency	445.01
12-24 months	8.20% to 10.55%	1 to 30 installments of monthly frequency	72,922.50
24-36 months	8.20% to 10.25%	1 to 52 installments of monthly frequency	76,426.41
36-48 months	10.25% to 10.30%	1 to 72 installments of monthly frequency	40,005.80
48-60 months	9.00% to 10.25%	1 to 72 installments of monthly frequency	45,937.46
Above 60 months	9.11%	1 to 75 installments of monthly frequency	64,115.96
Total			**2,99,853.14**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

21. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Total Amount
12-24 Months	7.05% to 10.65%	1 to 54 installments of monthly frequency	28,631.34
24-36 Months	8.50% to 10.55%	1 to 30 installments of monthly frequency	1,36,482.01
36-48 Months	10.25%	1 to 52 installments of monthly frequency	9,744.04
48-60 Months	10.25% to 10.30%	1 to 72 installments of monthly frequency	66,043.16
Above 60 Months	9.00% to 10.25%	1 to 72 installments of monthly frequency	78,305.94
Total			**3,19,206.50**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Loans repayable on demand-Secured

Cash Credit from Banks

₹ in lacs

Particulars	Rate of Interest	As at March 31, 2021	As at March 31, 2020
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.30% to 11.80%	36,833.51	58,873.42
Total		**36,833.51**	**58,873.42**

Working capital Demand loan from Banks

₹ in lacs

Particulars	Rate of Interest	As at March 31, 2021	As at March 31, 2020
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.20% to 11.05%	1,81,514.47	1,57,988.63
Total		**1,81,514.47**	**1,57,988.63**

Commercial Papers-Unsecured

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	As at March 31, 2021	As at March 31, 2020
Upto 12 Months	7.40% to 9.45%	Bullet Repayment	-	11,164.33
Total			**-**	**11,164.33**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

22. DEPOSITS

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Deposits								
Public deposits	5,52,881.69	-	-	5,52,881.69	4,01,206.80	-	-	4,01,206.80
Recurring deposits	7.09	-	-	7.09	-	-	-	-
Total	**5,52,888.78**	**-**	**-**	**5,52,888.78**	**4,01,206.80**	**-**	**-**	**4,01,206.80**

Deposits issued to directors : Nil (March 31, 2020: Nil)

Details of Public Deposits - Unsecured

Terms of Repayment as at March 31, 2021

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
Upto 12 months	65,754.95	97,205.09	-	1,62,960.04
12-24 months	23,585.51	1,22,138.47	-	1,45,723.98
24-36 months	17,871.37	1,17,186.77	-	1,35,058.15
36-48 months	775.24	43,779.59	-	44,554.83
48-60 months	-	64,584.70	-	64,584.70
Total	**1,07,987.07**	**4,44,894.62**	**-**	**5,52,881.69**

Terms of Repayment as at March 31, 2020

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
Upto 12 months	73,326.28	48,075.09	82.00	1,21,483.37
12-24 months	12,598.21	88,697.07	-	1,01,295.28
24-36 months	9,590.74	1,10,306.60	-	1,19,897.34
36-48 months	1,014.82	18,843.11	-	19,857.93
48-60 months	-	38,672.87	-	38,672.87
Total	**96,530.05**	**3,04,594.75**	**82.00**	**4,01,206.80**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

22. DEPOSITS (Contd.)

Details Recurring deposits - Unsecured

Terms of Repayment as at March 31, 2021

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
Upto 12 months	2.10	-	-	2.10
12-24 months	0.49	-	-	0.49
24-36 months	-	0.70	-	0.70
36-48 months	-	0.05	-	0.05
48-60 months	-	3.75	-	3.75
Total	**2.59**	**4.50**	**-**	**7.09**

Terms of Repayment as at March 31, 2020

Outstanding as at March 31, 2020 : Nil

23. SUBORDINATED LIABILITIES

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Subordinated Debts (Unsecured)	-	-	-	-	23,923.91	-	-	23,923.91
Total	**-**	**-**	**-**	**-**	**23,923.91**	**-**	**-**	**23,923.91**
Subordinate liabilities in India	-	-	-	-	23,923.91	-	-	23,923.91
Subordinate liabilities outside India	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**23,923.91**	**-**	**-**	**23,923.91**

Terms of repayment as at March 31, 2021

Privately Placed Subordinated Debts of ₹ 1,000/- Each - Unquoted: Nil

Terms of repayment as at March 31, 2020

Privately Placed Subordinated Debts of ₹ 1,000/- Each - Unquoted

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest >= 10% < 12%	Total
Upto 12 months*	23,923.91	23,923.91
Total	**23,923.91**	**23,923.91**

* Includes ₹ 4.70 lacs issued to related parties

24. OTHER FINANCIAL LIABILITIES

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Investor education and protection fund shall be credited by the following amounts (as and when due) #		
- Unclaimed matured deposits and interest thereon	6,156.82	10,983.54
- Unclaimed matured debentures and interest thereon	573.98	756.45
- Unpaid dividend	86.42	92.88
- Unclaimed matured subordinate debts and interest accrued thereon	2,059.81	5,486.68
Payable on account of Assignment	3,283.44	7,814.04
Royalty payable	1,641.31	1,638.78
Creditors for Supplies & Services	562.71	281.34
Employee related payables	5,031.90	5,741.39
Lease Liability	17,763.36	17,150.33
COVID-19 Ex-gratia relief Payable	140.10	-
Dividend payable*	6,600.50	-
Total	**43,900.35**	**49,945.43**

There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF)

* Represents Interim dividend declared on March 26, 2021 which is payable to the shareholders whose names appeared on the register of members as at April 7, 2021 being record date. This second interim dividend was paid to shareholders on April 19, 2021.

Lease Liability

As at March 31, 2021

₹ in lacs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on April 1, 2020)	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the period	Payment of lease Liabilities during the year	Rent lease concession	Amount of Lease Liabilities as on March 31, 2021
Office Premises	16,861.79	6,424.96	1,046.66	1,791.45	5,923.00	510.91	17,597.63
Furniture, Fixtures & Others	288.54	-	-	21.41	144.22	-	165.73
Total	**17,150.33**	**6,424.96**	**1,046.66**	**1,812.86**	**6,067.22**	**510.91**	**17,763.36**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

24. OTHER FINANCIAL LIABILITIES (Contd.)

As at March 31, 2020

₹ in lacs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on April 1, 2019)	Recognised on transition as on April 1, 2020 of IND As 116 - Leases	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the period	Payment of lease Liabilities during the year	Amount of Lease Liabilities as on March 31, 2020
Office Premises	-	16,551.55	5,329.55	656.04	1,704.04	6,067.32	16,861.79
Furniture, Fixtures & Others	-	386.65	12.48	8.33	31.60	133.86	288.54
Total	**-**	**16,938.20**	**5,342.03**	**664.37**	**1,735.64**	**6,201.18**	**17,150.33**

The table below provides details regarding the contractual maturities of lease liabilities.

₹ in lacs

Particulars	As at March 31, 2021		As at March 31, 2020	
	Undiscounted Basis	Discounted Basis	Undiscounted Basis	Discounted Basis
Not later than one year	6,114.23	4,578.95	6,030.37	4,552.38
Later than one year but not later than five years	12,670.09	9,727.25	12,608.04	10,071.45
Later than 5 years	4,001.98	3,457.16	2,962.62	2,526.50
Total	**22,786.30**	**17,763.36**	**21,601.03**	**17,150.33**

Qualitative Disclosures - Lease Liability:

The leased building are used to carry out business operations and related support activities. The future cash outflows on lease payments are fixed in nature, subject to escalations. The lease agreements tenor extensions and termination conditions are subject to respective lease agreements. No restrictions or covenants are imposed by lease agreements.

25. PROVISIONS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
For Employee benefit		
- Gratuity	-	1,154.81
- Provision for compensated absences	2,413.52	2,799.55
For Others		
- Undrawn loan commitment	325.14	161.10
Total	**2,738.66**	**4,115.46**

Loan Commitment

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 47.2 along policies on whether ECL allowances are calculated on an individual or collective basis.

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal Rating Grade								
Performing								
High Grade	23,585.47	-	-	23,585.47	19,229.08	-	-	19,229.08
Standard Grade	60.60	-	-	60.60	118.20	-	-	118.20
Sub Standard Grade	-	86.38	-	86.38	-	52.31	-	52.31
Past due but not impaired	-	54.15	-	54.15	-	9.96	-	9.96
Non - Performing								
Individually Impaired	-	-	-	-	-	-	-	-
Total	**23,646.07**	**140.53**	**-**	**23,786.60**	**19,347.28**	**62.27**	**-**	**19,409.55**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Opening balance of outstanding exposure	**19,347.28**	**62.27**	**-**	**19,409.55**	**6,586.99**	**120.41**	**-**	**6,707.40**
New exposures	20,007.02	-	-	20,007.02	16,814.97	-	-	16,814.97
Exposures derecognised or matured/repaid (excluding write offs)	(15,589.17)	(40.80)	-	(15,629.97)	(4,040.48)	(72.34)	-	(4,112.82)
Transfer to Stage 1	-	-	-	-	(14.20)	14.20	-	-
Transfer to Stage 2	(119.06)	119.06	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

25. PROVISIONS (Contd.)

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Closing balance of outstanding exposure	**23,646.07**	**140.53**	**-**	**23,786.60**	**19,347.28**	**62.27**	**-**	**19,409.55**

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
ECL allowance - opening balance	**158.66**	**2.44**	**-**	**161.10**	**34.50**	**4.93**	**-**	**39.43**
New exposures	300.95	-	-	300.95	146.13	-	-	146.13
Exposures derecognised or matured/repaid (excluding write offs)	(135.24)	(1.67)	-	(136.91)	(22.86)	(1.60)	-	(24.46)
Transfer to Stage 1	-	-	-	-	0.89	(0.89)	-	-
Transfer to Stage 2	(3.46)	3.46	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**320.91**	**4.23**	**-**	**325.14**	**158.66**	**2.44**	**-**	**161.10**

26. OTHER NON-FINANCIAL LIABILITIES

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	2,511.07	2,339.94
Retention money and other sundry liabilities	27.66	39.20
Total	**2,538.73**	**2,379.14**

27. EQUITY SHARE CAPITAL

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised:		
11,85,00,000 (March 31, 2020: 11,85,00,000) equity shares of ₹ 10/- each	11,850.00	11,850.00
40,00,000 (March 31, 2020: 40,00,000) cumulative redeemable preference shares of ₹ 100/- each	4,000.00	4,000.00
Total	**15,850.00**	**15,850.00**
Issued share capital		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Subscribed share capital		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Paid up (fully paid up)		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Total Equity	**6,600.50**	**6,600.29**
Issued, Subscribed and fully paid up Equity Shares		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Total Equity	**6,600.50**	**6,600.29**

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. of Shares	₹ in lacs
As at April 1, 2019	**6,59,92,317**	**6,599.23**
Issued during the year	10,605	1.06
As at March 31, 2020	**6,60,02,922**	**6,600.29**
Issued during the year	2,100	0.21
As at March 31, 2021	**6,60,05,022**	**6,600.50**

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting. During the year ended March 31, 2021, the amount of per equity share dividend proposed in total for distributions to equity shareholders is ₹ 33.00 (March 31, 2020 : ₹ 6.00). Out of the said total dividend proposed for the year ended March 31, 2021, amount of interim dividend paid during the year was ₹ 20 (March 31, 2020 : ₹ 6.00) per equity share and amount of final dividend proposed by the Board of Directors is ₹ 13.00 (March 31, 2020: Nil) per equity share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 77,870 (March 31, 2020 : 97,310) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP), wherein a part of the consideration was received in form of employee service.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

27. EQUITY SHARE CAPITAL (Contd.)

d. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Shriram Capital Limited	2,23,71,594	33.89%	2,23,71,594	33.89%
Dynasty Acquisition FPI Limited	1,34,21,889	20.33%	1,34,21,889	20.34%
Piramal Enterprises Limited	65,79,840	9.97%	65,79,840	9.97%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders/ members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Refer note 45 - Capital for the Company's objectives, policies and processes for managing capital

28. OTHER EQUITY

₹ in lacs

Particulars	Amount
Securities Premium Account	
As at April 1, 2019	**1,84,901.29**
Add: Premium on shares issued under Employee Stock Option Plan	26.67
As at March 31, 2020	**1,84,927.96**
Add: Premium on shares issued under Employee Stock Option Plan	5.28
As at March 31, 2021	**1,84,933.24**
Share Option Outstanding	
As at April 1, 2019	**65.86**
Employee Stock option expenses/ other expenses	45.20
Less: Adjustment on Exercise of Employee Stock Option Plan	(24.02)
Transfer from / to Retained Earning	2.02
As at March 31, 2020	**89.06**
Add: Expenses on Employee Stock Option Plan	1,929.15
Less: Adjustment on Exercise of Employee Stock Option Plan	(4.76)
Transfer from / to Retained Earning	(1.40)
As at March 31, 2021	**2,012.05**
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at April 1, 2019	**1,08,411.30**
Add: Amount transferred from Retained Earnings	20,020.00
As at March 31, 2020	**1,28,431.30**
Add: Amount transferred from Retained Earnings	20,490.00
As at March 31, 2021	**1,48,921.30**
Statutory Reserve pursuant to section 29C of the NHB Act, 1987	
As at April 01, 2019	**2,161.99**
Add: Amount transferred from Retained Earnings	720.58
As at March 31, 2020	**2,882.57**
Add: Amount transferred from Retained Earnings	968.72
As at March 31, 2021	**3,851.29**

28. OTHER EQUITY (Contd.)

₹ in lacs

Particulars	Amount
Debenture Redemption Reserve (DRR)	
As at April 1, 2019	**2,844.29**
Add: Amount transferred from Retained Earnings	2,930.90
Less: Amount transferred to General Reserve on redemption of debentures	(2,911.54)
Less: Amount transferred to General Reserve as DRR is not required vide MCA notification dated August 16 ,2019	(2,863.65)
As at March 31, 2020	**-**
Add: Amount transferred from Retained Earnings	-
Less: Amount transferred to General Reserve on redemption of debentures	-
As at March 31, 2021	**-**
General Reserve	
As at April 1, 2019	**85,339.27**
Add: Amount transferred from Retained Earnings	10,010.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	2,911.54
Add: Amount transferred from Debenture Redemption Reserve as DRR is not required vide MCA notification dated August 16, 2019	2,863.65
As at March 31, 2020	**1,01,124.46**
Add: Amount transferred from Retained Earnings	10,250.00
As at March 31, 2021	**1,11,374.46**
Capital Reserve	
As at April 1, 2019	**7,871.88**
As at March 31, 2020	**7,871.88**
As at March 31, 2021	**7,871.88**
Capital Redemption Reserve	
As at April 1, 2019	**2,328.98**
As at March 31, 2020	**2,328.98**
As at March 31, 2021	**2,328.98**
Other Comprehensive Income	
As at April 1, 2019	**(683.12)**
Remeasurement gain/ (loss) on defined benefit plan	(333.27)
Gain/(Loss) on Fair valuation of quoted investments in equity shares	(664.10)
Income Tax Provision/ (Reversal) on above	113.38
As at March 31, 2020	**(1,567.11)**
Remeasurement gain/ (loss) on defined benefit plan	1,181.15
Gain/(Loss) on Fair valuation of quoted investments in equity shares	768.97
Income Tax Provision/ (Reversal) on above	(633.44)
As at March 31, 2021	**(250.44)**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

28. OTHER EQUITY (Contd.)

₹ in lacs

Particulars	Amount
Retained Earnings	
As at April 1, 2019	**2,58,588.75**
Add: Profit for the year	1,02,262.95
Add/(Less): Appropriations and other Adjustments	
Transfer to Debenture Redemption Reserve	(2,930.90)
Final Dividend on Equity Shares FY 2018-19	(10,559.22)
Tax on Final Dividend on Equity Shares FY 2018-19	(2,170.48)
Interim Equity Dividend FY 2019-20	(3,959.76)
Tax on Interim Dividend on Equity Shares FY 2019-20	(813.94)
Transfer to Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	(20,020.00)
Transfer to Statutory Reserve pursuant to section 29C of the NHB Act, 1987	(720.58)
Transfer to General reserve	(10,010.00)
As at March 31, 2020	**3,09,666.82**
Add: Profit for the year	1,06,352.34
Add/(Less): Appropriations and other Adjustments	-
Interim Equity Dividend FY 2020-21	(13,200.93)
Transfer to Employee Stock Option Plan	1.40
Transfer to Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	(20,490.00)
Transfer to Statutory Reserve pursuant to section 29C of the NHB Act, 1987	(968.72)
Transfer to General reserve	(10,250.00)
As at March 31, 2021	**3,71,110.91**
Total other equity	
As at April 1, 2019	**6,49,668.50**
As at March 31, 2020	**7,35,755.92**
As at March 31, 2021	**8,32,153.68**

Proposed Dividend on equity shares

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
The Board proposed dividend on equity shares		
Proposed dividend on equity shares for the year ended on March 31, 2021: ₹ 13.00 (March 31, 2020: Nil) per share	8,580.65	-
Total	**8,580.65**	**-**

Nature and purpose of reserves

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

Capital Redemption Reserve: The Group has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Group may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

28. OTHER EQUITY (Contd.)

Debenture Redemption Reserve: Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture Redemption Reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date. In respect of the debentures issued through public issue, the Company is not required to create DRR vide MCA notification dated August 16 ,2019. The Company has deposited a sum of Nil (March 31, 2020: Nil) with scheduled banks, as there are no debentures issued through public issue, which were due for redemption during the year.

General Reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory Reserve: Every year the Company transfers a of sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal.Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1) the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order.Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Statutory Reserve: The Subsidiary Company creates Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987. The Subsidiary Company transfers amount at least 20% of the total comprehensive income after tax to Statutory reserve.

Retained earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Other Comprehensive Income: Other comprehensive income consists of remeasurement of net defined benefit liability / asset, FVTOCI financial liabilities and financial assets and currency translation.

Share Option Outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

29. INTEREST INCOME

₹ in lacs

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Interest income on Financial Assets classified at FVTPL	Total	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Interest income on Financial Assets classified at FVTPL	Total
Interest on Loans	-	5,74,261.65	-	5,74,261.65	-	5,86,587.91	-	5,86,587.91
Interest income from investments	177.51	2,799.65	-	2,977.16	316.35	2,827.05	-	3,143.40
Interest on deposits with Banks								
- Margin money deposit	-	4,211.17	-	4,211.17	-	2,402.72	-	2,402.72
- Other Deposits	-	8,737.21	-	8,737.21	-	5,301.90	-	5,301.90
Interest on Others	-	108.89	-	108.89	-	73.52	-	73.52
Total	**177.51**	**5,90,118.57**	**-**	**5,90,296.08**	**316.35**	**5,97,193.10**	**-**	**5,97,509.45**

30. FEE AND COMMISSION INCOME

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income from commission services	3,075.78	783.64
Income from collection services	256.20	573.56
Income from other services	1,301.56	-
Total	**4,633.54**	**1,357.20**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Type of Services or Service		
Fee and commission income	4,633.54	1,357.20
Total revenue from contract with customers	**4,633.54**	**1,357.20**
Geographical markets		
India	4,633.54	1,357.20
Outside India	-	-
Total revenue from contract with customers	**4,633.54**	**1,357.20**
Timing of revenue recognition		
Services transferred at a point in time	3,443.07	1,357.20
Services transferred over time	1,190.47	-
Total revenue from contracts with customers	**4,633.54**	**1,357.20**

Contract Balance

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Trade Receivables	239.62	93.12
Less: Impairment loss allowances	(9.63)	(3.36)
Net Trade Receivables	**229.99**	**89.76**
Contract Assets	-	-
Total	**229.99**	**89.76**

The Group does not have any contract assets or liability, hence disclosures related to it has not been presented.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

31. NET GAIN/(LOSS) ON FAIR VALUE CHANGES

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	907.24	1,162.49
- Derivatives	-	(81.61)
Total Net gain/(loss) on fair value changes	**907.24**	**1,080.88**
Fair Value changes:		
- Realised	840.55	2,109.55
- Unrealised	66.69	(1,028.67)
Total Net gain/(loss) on fair value changes	**907.24**	**1,080.88**

32. FINANCE COST

₹ in lacs

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest expense on						
Fixed Deposits	-	42,630.98	42,630.98	-	31,490.80	31,490.80
Subordinated liabilities	-	612.93	612.93	-	5,619.14	5,619.14
Borrowings (other than debt securities)						
- Loans from Banks	-	87,173.46	87,173.46	-	96,349.37	96,349.37
- Loans from Financial Institution/ NBFC	-	12,352.82	12,352.82	-	6,320.63	6,320.63
- Loans from Financial Institution/ NBFC- Securitisation	-	27,498.89	27,498.89	-	21,521.54	21,521.54
- Loans from Banks- Securitisation	-	4,295.51	4,295.51	-	1,208.38	1,208.38
- Working Capital Demand Loans	-	15,947.32	15,947.32	-	13,624.44	13,624.44
- Cash Credit	-	1,922.69	1,922.69	-	4,012.56	4,012.56
- Commercial Paper	-	35.67	35.67	-	7,557.63	7,557.63
Debt securities	-	39,618.17	39,618.17	-	40,789.19	40,789.19
Interest on Tax Liability	-	89.02	89.02	-	83.19	83.19
Interest on Defined Benefit Plan	-	80.93	80.93	-	13.62	13.62
Finance Cost on Lease liability	-	1,812.86	1,812.86	-	1,735.64	1,735.64
Total	**-**	**2,34,071.25**	**2,34,071.25**	**-**	**2,30,326.13**	**2,30,326.13**

33. IMPAIRMENT ON FINANCIAL INSTRUMENTS

₹ in lacs

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
Loans and advances to customers	-	1,360.84	1,360.84	-	12,736.69	12,736.69
Investments	(0.58)	0.79	0.21	(2.94)	-	(2.94)
Others						
- Undrawn Commitments	-	164.03	164.03	-	121.68	121.68
- Trade receivables	-	6.27	6.27	-	3.36	3.36
- Lease Receivables	-	(0.22)	(0.22)	-	0.47	0.47
- Assignment Receivables	-	125.35	125.35	-	247.15	247.15
- Investment Through PTC	-	6.47	6.47	-	-	-
Total	**(0.58)**	**1,663.53**	**1,662.95**	**(2.94)**	**13,109.35**	**13,106.41**

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Year ended March 31, 2021

₹ in lacs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	5,377.70	5,439.98	(9,456.85)	-	-	1,360.83
Investment	0.21	-	-	-	-	0.21
Others						
- Undrawn Commitments	162.25	1.78	-	-	-	164.03
- Trade receivables	-	-	-	-	6.27	6.27
- Assignment Receivables	126.08	23.18	36.27	-	(60.17)	125.36
- Lease Receivables	-	-	-	-	(0.22)	(0.22)
- Investment Through PTC	-	-	-	-	6.47	6.47
Total impairment loss	**5,666.24**	**5,464.94**	**(9,420.58)**	**-**	**(47.65)**	**1,662.95**

Year ended March 31, 2020

₹ in lacs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	25,091.05	(10,598.51)	(1,755.85)	-	-	12,736.69
Investment	(2.94)	-	-	-	-	(2.94)
Others						
- Undrawn Commitments	124.17	(2.49)	-	-	-	121.68
- Trade receivables	-	-	-	-	3.36	3.36
- Assignment Receivables	184.14	0.69	-	-	62.32	247.15
- Lease Receivables	-	-	-	-	0.47	0.47
Total impairment loss	**25,396.42**	**(10,600.31)**	**(1,755.85)**	**-**	**66.15**	**13,106.41**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

34. BAD DEBTS WRITTEN OFF

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loans and advances written off	85,068.81	77,384.15
Repossessed assets written off	327.58	439.67
Total	**85,396.39**	**77,823.82**

35. EMPLOYEE BENEFIT EXPENSES

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, other allowances and bonus	73,863.96	83,393.14
Contribution to provident and other funds	5,041.46	5,569.59
Staff welfare expenses	1,354.14	1,457.96
Share based payments to employees	1,953.07	58.50
Gratuity expenses	777.20	649.81
Interest Expenses on Staff Loan	22.91	8.37
Total	**83,012.74**	**91,137.37**

36. DEPRECIATION, AMORTISATION AND IMPAIRMENT

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of tangible assets	2,715.88	3,081.13
Amortisation of intangible assets	275.64	237.06
Amortisation on right of use assets	5,720.94	5,640.09
Total	**8,712.46**	**8,958.28**

37. OTHER EXPENSES

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	109.10	104.77
Power and fuel	864.53	1,067.80
Repairs and maintenance		
- Buildings	1,108.89	1,197.71
- Office equipments	38.84	45.64
Office expenses	1,693.03	1,546.28
Rates and taxes	1,554.70	1,992.61
Printing and stationery	1,765.70	2,885.32
Travelling and conveyance	2,068.38	4,340.23
Advertisement	292.88	612.30
Business promotion	4,678.30	4,582.00
Directors' sitting fees	54.23	45.74
Insurance	457.23	418.83
Communication expenses	2,442.74	3,047.01
Bank charges	1,632.68	1,567.76
Legal and Professional Fees	1,397.45	1,628.54
Loss on sale of Property, plant and equipment	66.15	44.86
Public issue expenses for non-convertible debentures	-	0.83
CSR expenses	2,273.88	1,081.38
Mortgage Guarantee Fees	117.56	202.52
Miscellaneous expenses	1,115.54	1,931.00
Auditor fees		
(a) Audit Fees	56.06	59.51
(b) Tax Audit Fees	12.04	6.59
(c) Certification Fees	12.04	6.70
(d) Out of Pocket	0.58	10.16
Total	**23,812.53**	**28,426.09**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

38. INCOME TAX

38.1 The components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	47,155.66	35,661.16
Income tax of earlier years	(190.33)	1,325.99
Deferred tax relating to origination and reversal of temporary differences	(6,935.69)	340.01
Total tax charge	**40,029.64**	**37,327.16**

38.2 Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and March 31, 2020 is, as follows:

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	**1,47,801.18**	**1,40,648.42**
At India's statutory income tax rate for Shriram City Union Finance Limited: 25.168% (2020: 25.168%), For Shriram Housing Finance Limited: 25.168% (2020: 29.12%)	37,088.14	35,740.70
Tax at special rate on Capital Gain of Nil (March 31, 2020: ₹ 1,048.04 lacs at 22.88%)	-	239.79
Total Tax	**37,088.14**	**35,980.49**
Corporate social responsibility expenditure not allowable for tax purpose	566.00	267.99
Deduction under chapter VIA of the Income Tax Act, 1961 (2019:section 80G and 80JJAA)	(202.80)	(388.79)
Income tax of earlier years	(190.33)	1,324.24
Tax impact of Bonus payable to employees allowable on payment basis	1,035.21	415.71
Others	1,733.42	(272.48)
Income tax expense reported in the statement of profit or loss	**40,029.64**	**37,327.16**
Effective income tax rate %	27.08%	26.54%

38. INCOME TAX (Contd.)

38.3.1 Deferred Tax - Shriram City Union Finance Limited

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Property, plant and equipment and intangible assets	1,820.79	-	(98.22)	-
Net Right to use Asset and future rent liability	286.62	-	(163.29)	-
Expenses allowable for tax purpose when paid	1,072.52	-	961.59	439.31
EIR impact on debt instrument measured at Amortised Cost	44.41	25.43	(113.69)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	48.14	58.90	33.21	193.53
Impact of amortisation of processing fees on Loans and Advances	292.82	-	144.28	-
Provision for Impairment of Financial Assets at amortised cost	9,090.12	-	(9,090.12)	-
Other temporary differences	244.19	-	(49.11)	-
Total	**12,899.61**	**84.33**	**(8,375.35)**	**632.84**

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Property, plant and equipment and intangible assets	1,722.57	-	470.77	-
Net Right to use Asset and future rent liability	123.33	-	(123.33)	-
Expenses allowable for tax purpose when paid	2,473.42	-	(249.48)	51.63
EIR impact on debt instrument measured at Amortised Cost	-	94.71	(313.64)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	241.67	25.69	(347.11)	(167.14)
Impact of amortisation of processing fees on Loans and Advances	437.10	-	540.62	-
Other temporary differences	224.57	29.49	(94.35)	-
Total	**5,222.66**	**149.89**	**(116.52)**	**(115.51)**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

38. INCOME TAX (Contd.)

38.3.2 Deferred Tax - Shriram Housing Finance Limited

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Property, plant and equipment and intangible assets	22.80	-	(18.33)	-
Net Right to use Asset and future rent liability	33.93	-	(11.54)	-
Expenses allowable for tax purpose when paid	-	-	(40.30)	-
EIR impact on debt instrument measured at Amortised Cost	-	17.85	(18.83)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	-	-	-	-
Impact of amortisation of processing fees on Loans and Advances	20.99	56.79	32.52	-
Provision for Impairment of Financial Assets at amortised cost	1,191.19	-	(1,191.19)	-
Special Reserve u/s 36 1(viii)	-	607.70	(133.94)	-
Other temporary differences	75.00	3,198.52	2,821.27	0.78
Total	**1,343.91**	**3,880.86**	**1,439.66**	**0.78**

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Property, plant and equipment and intangible assets	4.47	-	8.89	-
Net Right to use Asset and future rent liability	22.39	-	18.33	-
Expenses allowable for tax purpose when paid	-	97.09	(75.49)	-
EIR impact on debt instrument measured at Amortised Cost	-	36.68	(29.96)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	-	-	-	-
Impact of amortisation of processing fees on Loans and Advances	53.51	-	82.94	-
Special Reserve u/s 36 1(viii)	-	741.64	69.91	-
Other temporary differences	260.43	351.87	381.91	2.76
Total	**340.80**	**1,227.28**	**456.53**	**2.76**

38. INCOME TAX (Contd.)

38.4 Amount recognised in respect of current tax/ deferred tax directly in equity:

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Amount recognised in respect of current tax/ deferred tax directly in equity	-	-

38.5 Tax losses and Tax credits

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Unused Capital Gains tax losses for which no deferred tax asset has been recognised	-	-
Unused Tax Credits-MAT credit entitlement	-	-

38.6 Current Tax Assets (Net)

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax (net of provision for tax) [provision for income tax March 31, 2021: ₹ 3,73,376.02 lacs March 31, 2020: ₹ 3,26,620.72 lacs]	4,921.74	15,136.41
Total	**4,921.74**	**15,136.41**

39. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the group by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of group (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares and issue of Employee Stock Options.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net Profit after tax attributable to the owners of the Company as per Statement of Profit and Loss (₹ in lacs) (A)	1,06,352.34	1,02,262.95
Weighted average number of ordinary shares for basic earnings per share (₹ in lacs) (B)	660.04	659.97
Effect of dilution:		
Stock options granted under ESOP (Nos. in lacs)	1.54	0.13
Weighted average number of ordinary shares adjusted for effect of dilution (₹ in lacs) (C)	661.58	660.10
Earnings per share		
Basic earnings per share (₹) (A/B)	**161.13**	**154.95**
Diluted earnings per share (₹) (A/C)	**160.76**	**154.92**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

40. INVESTMENT IN SUBSIDIARY

Name of the subsidiary	Country of Incorporation	Principal place of business	Principal activities	For the year ending	No. of Equity Shares Held (FV of ₹ 10 /- each)	% of equity interest
Shriram Housing Finance Limited	India	Mumbai	Housing Finance	March 31, 2021	16,54,40,000	77.25%
				March 31, 2020	16,54,40,000	77.25%

Statement of Net Assets, Profit and Loss and Other Comprehensive Income attributable to owners and Non Controlling Interest as on March 31, 2021

₹ in lacs

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profits/(loss)		Share in Other Comprehensive Income/ (Loss)		Share in total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount
Parent - Shriram City Union Finance Limited	93.24%	7,94,206.59	94.21%	1,01,533.25	99.82%	1,314.88	94.28%	1,02,848.13
Indian Subsidiary - Shriram Housing Finance Limited	5.23%	44,547.59	4.47%	4,819.09	0.14%	1.80	4.42%	4,820.89
Non Controlling Interest	1.53%	13,073.10	1.32%	1,419.20	0.04%	0.53	1.30%	1,419.73
Total	**100%**	**8,51,827.28**	**100%**	**1,07,771.54**	**100%**	**1,317.21**	**100%**	**1,09,088.75**

41. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ in lacs

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,91,641.65	-	3,91,641.65	2,24,053.78	-	2,24,053.78
Bank Balance other than above	1,25,875.71	18,433.45	1,44,309.16	97,859.03	-	97,859.03
Receivables						
- Trade Receivables	229.99	-	229.99	89.76	-	89.76
- Other Receivables	-	-	-	0.65	-	0.65
Loans	15,57,274.02	15,22,505.86	30,79,779.88	14,20,078.85	14,40,022.51	28,60,101.36
Investments	72,083.38	20,323.52	92,406.90	52,145.52	20,172.65	72,318.17
Other financial assets	3,722.58	12,511.49	16,234.07	5,531.51	7,086.63	12,618.14
Non-financial Assets						
Current tax asset	-	4,921.74	4,921.74	-	15,136.41	15,136.41
Deferred tax assets (net)	-	12,815.28	12,815.28	-	5,072.77	5,072.77
Property, plant and equipment	-	6,841.27	6,841.27	-	7,790.02	7,790.02
Other intangible assets	-	643.36	643.36	-	768.63	768.63
Right of Use Assets	-	16,538.88	16,538.88	-	16,578.78	16,578.78
Other non financial assets	8,332.56	11,814.05	20,146.61	7,101.45	9,405.72	16,507.17
Total assets	**21,59,159.89**	**16,27,348.89**	**37,86,508.79**	**18,06,860.55**	**15,22,034.12**	**33,28,894.67**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

41. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

₹ in lacs

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	18.90	-	18.90	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8,333.36	-	8,333.36	8,096.32	-	8,096.32
Debt Securities	2,06,674.95	2,77,577.87	4,84,252.82	1,68,112.74	3,17,212.20	4,85,324.94
Borrowings (other than debt securities)	10,34,639.33	8,02,833.63	18,37,472.96	8,60,016.93	7,39,013.60	15,99,030.53
Deposits	1,62,962.13	3,89,926.65	5,52,888.78	1,21,486.63	2,79,720.17	4,01,206.80
Subordinated Liabilities	-	-	-	23,923.91	-	23,923.91
Other Financial liabilities	26,136.99	17,763.36	43,900.35	32,795.10	17,150.33	49,945.43
Non-financial Liabilities						
Provisions	2,640.54	98.12	2,738.66	1,743.19	2,372.27	4,115.46
Deferred tax liabilities (net)	-	2,536.95	2,536.95	-	886.48	886.48
Other non-financial liabilities	2,538.73	-	2,538.73	2,374.32	4.82	2,379.14
Total Liabilities	**14,43,944.93**	**14,90,736.58**	**29,34,681.51**	**12,18,549.14**	**13,56,359.87**	**25,74,909.01**
Net	**7,15,214.96**	**1,36,612.31**	**8,51,827.28**	**5,88,311.41**	**1,65,674.25**	**7,53,985.66**

42. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities during FY 2020-21

₹ in lacs

Particulars	As at March 31, 2020	Cash Flows	Exchange difference	Other *	As at March 31, 2021
At Amortised Cost					
Debt Securities					
- NCD Public Issue	84,955.43	918.31	-	1,050.47	86,924.20
- NCD Institutional	4,00,369.51	203.95	-	(3,244.84)	3,97,328.62
Subordinated Liabilities					
- Sub Debt Retail	23,923.91	(23,961.29)	-	37.38	-
Borrowings other than debt securities					
- Term Loan from Banks	9,11,703.81	78,594.87	-	(4,463.61)	9,85,835.07
- Term Loan from Institution	77,520.84	2,10,284.98	-	(388.02)	2,87,417.80
- Commercial paper	11,164.33	(11,200.00)	-	35.67	-
- Cash Credit from Banks	58,873.42	(22,024.06)	-	(15.85)	36,833.51
- Working Capital Demand Loans	1,57,988.63	23,526.36	-	(0.52)	1,81,514.47
- Term Loan from Bank- Securitisation	62,573.00	(16,814.42)	-	260.39	46,018.97
- Term Loan from financial Institution/ NBFC- Securitisation	3,19,206.50	(19,250.56)	-	(102.80)	2,99,853.14
Deposits					
- Public Deposits	4,01,206.80	1,52,815.49	-	(1,140.60)	5,52,881.69
- Recurring deposits	-	7.09	-	-	7.09
Total	**25,09,486.18**	**3,73,100.72**	**-**	**(7,972.33)**	**28,74,614.56**

* Represents adjustments on account of processing fees and other transaction cost.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

42. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (Contd.)

Changes in liabilities arising from financing activities during FY 2019-20

₹ in lacs

Particulars	As at March 31, 2019	Cash Flows	Exchange difference	Other *	As at March 31, 2020
At Amortised Cost					
Debt Securities					
- NCD Public Issue	11,377.16	75,282.56	-	(1,704.29)	84,955.43
- NCD Institutional	4,15,327.57	(12,628.52)	-	(2,329.54)	4,00,369.51
Subordinated Liabilities					
- Sub Debt Retail	57,685.07	(34,033.43)	-	272.27	23,923.91
- Sub Debt Institutional	7,685.88	(7,705.28)	-	19.40	-
Borrowings other than debt securities					
- Term Loan from Banks	10,46,243.60	(1,33,161.10)	-	(1,378.69)	9,11,703.81
- Term Loan from Institution	31,412.91	46,253.77	-	(145.84)	77,520.84
- Commercial paper	1,83,541.94	(1,72,377.61)	-	-	11,164.33
- Cash Credit from Banks	1,72,804.60	(1,13,916.66)	-	(14.52)	58,873.42
- Working Capital Demand Loans	76,685.16	81,303.82	-	(0.35)	1,57,988.63
- Term Loan from Bank- Securitisation	-	63,526.69	-	(953.69)	62,573.00
- Term Loan from financial Institution/ NBFC- Securitisation	1,14,327.54	2,09,299.40	-	(4,420.44)	3,19,206.50
Deposits					
- Public Deposits	3,11,940.60	90,073.35	-	(807.15)	4,01,206.80
- Recurring deposits	-	-	-	-	-
Total	**24,29,032.03**	**91,916.99**	**-**	**(11,462.85)**	**25,09,486.18**

* Represents adjustments on account of processing fees and other transaction cost.

43. CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent Liabilities

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
a. In respect of Income tax demands where the Group has filed appeal before various authorities	116.45	194.53
b. VAT demand where the Group has filed appeal before various Appellate	259.95	259.95
c. Service tax demand	8,019.29	8,019.29
d. Guarantees given for subsidiary	-	2,500.00
e. Bank Guarantees	135.00	135.00
Total	**8,530.69**	**11,108.77**

Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements /decisions pending with various forums/authorities. The Group is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group financial position and results of operations.

The Company has issued a guarantee for Nil (March 31, 2020 : ₹ 2,500 lacs) for refinance obtained by subsidiary, Shriram Housing Finance Limited for NHB.

(B) Commitments not provided for

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	326.97	306.34
b. Commitments related to loans sanctioned but undrawn	23,786.60	19,409.55

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

44. RELATED PARTY DISCLOSURES

Relationship		Name of the party
(i) Enterprises having significant influence over the Group	:	Shriram Capital Limited (SCL)
		Shriram Ownership Trust (SOT)
		Dynasty Acquisition FPI Limited (DAFL)
		Valiant Mauritius Partners FDI Limited (VMPL)
(ii) Subsidiary	:	Shriram Housing Finance Limited (SHFL)
(iii) Associates *	:	Insight Commodities and Futures Private Limited (ICFPL)
		Shriram Asset Management Company Limited (SAMCL)
		Shriram Credit Company Limited (SCCL)
		Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)
		Shriram Financial Ventures (Chennai) Private Limited (SFVPL)
		Shriram Fortune Solutions Limited (SFSL)
		Shriram General Insurance Company Limited (SGICL)
		Shriram Insight Share Brokers Limited (SISBL)
		Shriram Life Insurance Company Limited (SLICL)
		Shriram Overseas Investments Private Limited (SOIPL)
		Shriram Wealth Advisors Limited (SWAL)
		Shriram Value Services Limited (SVSL)
		Bharath Investments Pte. Limited, Singapore (BIPL)
		SGI Philippines General Insurance Co. Inc. (SGIPGICI)
		Novac Technology Solutions Private Limited (NTSPL)
		Novac Digital Services Private Limited (formerly Techfactory Services Private. Limited) (NDSPL)
		Snottor Technology Services Private Limited
		SEA Funds Management India Private Limited
		Way2wealth Insurance Brokers Private Limited
		Way2wealth Securities Private Limited
		Way2wealth Brokers Private Limited
		Way2wealth Commodities Private Limited
(iv) Key Management Personnel	:	Sri Y.S. Chakravarti, Managing Director (Appointed w.e.f. 01.07.2019)
		Sri R Duruvasan, Director (Ceased from Managing Director w.e.f. 30.06.2019)
		Sri Debendranath Sarangi, Chairperson
		Sri C R Muralidharan, Director (Ceased w.e.f 08.10.2020)
		Sri Diwakar Bhagwati Gandhi, Director (Appointed w.e.f 01.04.2019)
		Sri Gerrit Lodewyk Van Heerde, Director (Ceased w.e.f. 29.07.2019)
		Smt Maya S Sinha, Director
		Sri Sri Pranab Prakash Pattanayak, Director (Reappointed w.e.f 01.04.2019)
		Sri Ranvir Dewan, Director (Ceased w.e.f. 02.12.2019)
		Sri Shashank Singh, Director
		Sri Venkataraman Murali, Director (Reappointed w.e.f 01.04.2019)
		Sri R Chandrasekar, Chief Financial Officer
		Sri C R Dash, Company Secretary

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

Relationship		Name of the party
		Sri Ignatius Michael Viljoen, Director (Appointed w.e.f 29.07.2019)
		Smt Lakshminaryanan Priyadarshini , Director (SHFL)
		Sri Subramanian Jambunathan, MD & CEO (SHFL)
		Sri Kunal Karnani, Chief Financial Officer (SHFL) (Ceased w.e.f 06.09.2019)
		Smt Nikita Hule , Company Secretary (SHFL) (Ceased w.e.f 27.07.2019)
		Sri Gauri Shankar Agarwal, Chief Financial Officer (SHFL) (Appointed w.e.f. 25.09.2019)
		Smt Bhavita Ashiyani - Company Secretary (SHFL) (Appointed w.e.f. 20.10.2019)
(v)	Relatives of Key Management Personnel :	Relatives of Sri R Duruvasan, Director (Ceased from Managing Director & CEO w.e.f 30.06.2019)
		Late Sri Ayneni Ramachandra Naidu (Father)
		Late Smt Ayneni Ammayamma (Mother)
		Smt A Komaleeswari (Spouse)
		Sri Ayneni Vamshi Krishna (Son)
		Sri R Perumal (Brother)
		Smt P Padmaja (Brother's Wife)
		Smt S Usha Rani (Sister)
		Sri R Selvam (Sister's Husband)
		Relatives of Sri Y.S. Chakravarti, Managing Director & CEO (Appointed w.e.f 01.07.2019)
		Late Sri Satyanarayana Y (Father)
		Smt Rajamannar (Mother)
		Smt Sujata Yalamati (Spouse)
		Sri Sree Bhargav (Son)
		Ms Nayana Sri (Daughter)
		Smt Aruna S (Sister)
		Smt Rama Devi D (Sister)
		Sri S R Krishna (Sister's husband)
		Sri Venkateswara Rao D (Sister's husband)
		Sri M S R Choowdary (Brother of spouse)
		Relatives of Sri Subramanian Jambunathan, Managing Director & CEO (SHFL)
		Late Sri Krishnawamy Jambunathan (Father)
		Smt Padmavathi Jambunathan(Mother)
		Smt Dharini Mani Subramanian (Spouse)
		Ms Anusha Subramanian (Daughter)
		Sri Jambunathan Krishnan (Brother)

*- The Group neither holds any shares in the above entities nor these entities hold any shares in the Group except Shriram Financial Ventures (Chennai) Private Limited (SFVPL). However these entities are "subsidiaries /associates" of Shriram Capital Limited and hence these entities are treated as "associates" as per paragraph 9(b)(ii) of IND- AS 24 and transactions made with these entities are disclosed.

There are no transactions with relatives of Key Management Personnel for the year ended March 31, 2021.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

44. RELATED PARTY DISCLOSURES

Related party transactions during the year

₹ in lacs

Particulars	Enterprises having significant influence over the Group		Associates		Key Management Personnel		Total	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Payments/Expenses								
Royalty to SOT	-	3,351.69	-	-	-	-	-	3,351.69
Royalty to SVSL	-	-	6,716.05	3,423.00	-	-	6,716.05	3,423.00
Commission & Other expenses- SFPSPL	-	-	3,037.05	2,311.98	-	-	3,037.05	2,311.98
Commission & Other expenses- SFSL	-	-	3,610.18	2,800.34	-	-	3,610.18	2,800.34
Commission & Other expenses- SISBL	-	-	136.91	60.68	-	-	136.91	60.68
Commission & Other expenses- SWAL	-	-	3.59	-	-	-	3.59	-
Interest Expenses- SFPSPL	-	-	95.24	54.57	-	-	95.24	54.57
Interest Expenses- SLICL	-	-	603.84	423.72	-	-	603.84	423.72
Interest Expenses - SAMCL	-	-	63.01	5.05	-	-	63.01	5.05
Insurance - SGICL	-	-	435.22	402.08	-	-	435.22	402.08
Insurance and other expenses- SLICL	-	-	510.29	593.58	-	-	510.29	593.58
IT Services & Other expenses- SVSL	-	-	-	1,386.28	-	-	-	1,386.28
Professional Charges to NTSPL	-	-	5,835.20	4,575.53	-	-	5,835.20	4,575.53
Reimbursement of Rent and other expenses-SCL	1.61	14.61	-	-	-	-	1.61	14.61
Fees to SCL	1,934.36	1,842.24	-	-	-	-	1,934.36	1,842.24
"Payments to Key Managerial Personnel (MD, CFO & CS)"								
Short–term employee benefits	-	-	-	-	426.03	412.83	426.03	412.83
Post–employment pension (defined contribution)	-	-	-	-	60.70	45.00	60.70	45.00
Other long term employee benefits	-	-	-	-	6.91	46.56	6.91	46.56
Share Based Payments	-	-	-	-	60.36	51.19	60.36	51.19
Loan disbursement - Sri Gauri Shankar Agarwal	-	-	-	-	130.00	-	130.00	-
Loan EMI received - Sri Gauri Shankar Agarwal	-	-	-	-	8.45	-	8.45	-
Directors Sitting Fees	-	-	-	-	54.23	44.94	54.23	44.94
Equity dividend to SCL	4,474.32	4,921.75	-	-	-	-	4,474.32	4,921.75
Equity dividend to DAFL	2,684.38	2,952.82	-	-	-	-	2,684.38	2,952.82
Equity dividend to SFVPL	-	-	97.68	3.63	-	-	97.68	3.63
Equity dividend to KMP	-	-	-	-	1.63	1.80	1.63	1.80

44. RELATED PARTY DISCLOSURES (Contd.)

₹ in lacs

Particulars	Enterprises having significant influence over the Group		Associates		Key Management Personnel		Total	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Receipts/Income								
Commission- SGICL	-	-	596.18	247.82	-	-	596.18	247.82
Commission - SLICL	-	-	1,570.40	458.26	-	-	1,570.40	458.26
Rent Income - SFSL	-	-	15.41	18.84	-	-	15.41	18.84
Rent Income - SISBL	-	-	2.63	4.50	-	-	2.63	4.50
Rent Income - SLICL	-	-	-	3.69	-	-	-	3.69
Electricity, Telephone and other charges Received								
Expenses reimbursement -SFSL	-	-	8.06	8.16	-	-	8.06	8.16
Expenses reimbursement -SISBL	-	-	1.89	1.56	-	-	1.89	1.56
Expenses reimbursement -SLICL	-	-	3.49	4.31	-	-	3.49	4.31
Balance outstanding as at								
Share Capital held by SCL	2,237.16	2,237.16	-	-	-	-	2,237.16	2,237.16
Share Capital held by DAFL	1,342.19	1,342.19	-	-	-	-	1,342.19	1,342.19
Share Capital held by SFVPL	-	-	48.84	1.65	-	-	48.84	1.65
Share Capital held by KMP	-	-	-	-	0.82	0.82	0.82	0.82
Share Capital held by VMPL	4,872.00	4,872.00	-	-	-	-	4,872.00	4,872.00
Interim Dividend Payable to SCL	2,237.16	-	-	-	-	-	2,237.16	-
Interim Dividend Payable to DAFL	1,342.19	-	-	-	-	-	1,342.19	-
Interim Dividend Payable to SFVPL	-	-	48.84	-	-	-	48.84	-
Interim Dividend Payable to KMP	-	-	-	-	0.82	-	0.82	-
Outstanding Payable to SCL	-	5.78	-	-	-	-	-	5.78
Royalty Payable to SVSL	-	-	1,641.31	1,638.78	-	-	1,641.31	1,638.78
Expenses payable to SCL	-	456.34	-	-	-	-	-	456.34
Expenses Payable to SFPSPL	-	-	269.39	80.48	-	-	269.39	80.48
Expenses Payable to SFSL	-	-	306.60	211.83	-	-	306.60	211.83
Expenses Payable to SISBL	-	-	8.51	4.45	-	-	8.51	4.45
Expenses Payable to SVSL	-	-	21.83	1.89	-	-	21.83	1.89
Expenses Payable to NTSPL	-	-	200.51	23.12	-	-	200.51	23.12

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

₹ in lacs

Particulars	Enterprises having significant influence over the Group		Associates		Key Management Personnel		Total	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Expenses Payable to SLICL	-	-	4.36	0.03	-	-	4.36	0.03
Expenses Payable to SWAL	-	-	1.59	-	-	-	1.59	-
Outstanding Payable to SAMCL	-	-	1,052.63	153.47	-	-	1,052.63	153.47
Outstanding Payable to SFPSPL	-	-	1,044.40	1,034.77	-	-	1,044.40	1,034.77
Outstanding Payable to SLICL	-	-	6,537.11	6,444.54	-	-	6,537.11	6,444.54
Receivable from SFSL	-	-	0.16	0.87	-	-	0.16	0.87
Receivable from SGICL	-	-	33.26	86.90	-	-	33.26	86.90
Receivable from SISBL	-	-	-	1.00	-	-	-	1.00
Receivable from SLICL	-	-	102.25	0.68	-	-	102.25	0.68
Receivable from NTSPL	-	-	0.40	0.32	-	-	0.40	0.32
Receivable from SFPSPL	-	-	31.78	32.36	-	-	31.78	32.36
Receivable from SVSL	-	-	23.91	30.56	-	-	23.91	30.56
Loan Receivable from Sri Gauri Shankar Agarwal	-	-	-	-	126.45	-	126.45	-

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

45. CAPITAL

The Group maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Group.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the group ensures to maintain a healthy CRAR at all the times.

Capital Management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board. The Group has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards"

A. Shriram City Union Finance Limited

₹ in lacs

Regulatory capital	As at March 31, 2021*	As at March 31, 2020*
Tier 1 Capital	7,30,641.50	6,78,676.35
Tier 2 Capital	-	-
Total capital funds	**7,30,641.50**	**6,78,676.35**
Risk weighted assets	**25,51,149.05**	**24,50,549.66**
Tier 1 capital ratio	28.64%	27.69%
Tier 2 capital ratio	0.00%	0.00%
Total capital ratio	**28.64%**	**27.69%**

*calculated as per RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

"Tier I capital", "Tier II capital", "Owned fund" are calculated as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI) of India.

B. Shriram Housing Finance Limited

₹ in lacs

Regulatory capital	As at March 31, 2021	As at March 31, 2020
Tier 1 Capital	56,298.33	49,757.11
Tier 2 Capital	2,434.85	1,529.40
Total capital funds	**58,733.19**	**51,286.51**
Risk weighted assets	**2,55,003.58**	**1,84,765.64**
Tier 1 capital ratio	22.08%	26.93%
Tier 2 capital ratio	0.95%	0.83%
Total capital ratio	**23.03%**	**27.76%**

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit . Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the National Housing Bank. The other component of regulatory capital is Tier 2 Capital , which includes provision for standard assets

The Company is meeting the capital adequacy requirements of National Housing Bank.

46. FAIR VALUE MEASUREMENT

46.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 46.3.

46.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2021

₹ in lacs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	434.03	-	434.03
Equity instruments	9,686.10	-	-	9,686.10
Security Receipts	-	980.24	-	980.24
Pass through Certificate	-	1,395.63	-	1,395.63
Total financial assets held for trading	**9,686.10**	**2,809.90**	**-**	**12,496.00**
Total assets measured at fair value on a recurring basis	**9,686.10**	**2,809.90**	**-**	**12,496.00**

As at March 31, 2020

₹ in lacs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	12,767.35	-	12,767.35
Equity instruments	8,917.14	-	-	8,917.14
Security Receipts	-	1,327.92	-	1,327.92
Pass through Certificate	-	1,838.92	-	1,838.92
Total financial assets held for trading	**8,917.14**	**15,934.20**	**-**	**24,851.34**
Total assets measured at fair value on a recurring basis	**8,917.14**	**15,934.20**	**-**	**24,851.34**

46.3 Valuation techniques

Equity Instruments

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the net worth of the investee company.

Mutual Funds

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

Foreign exchange contracts

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Group classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

46. FAIR VALUE MEASUREMENT (Contd.)

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Group requires significant unobservable inputs to calculate their fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

₹ in Lacs

Particulars	Equity instruments	
	As at March 31, 2021	As at March 31, 2020
Opening Balance	**-**	**80.04**
Purchases	-	-
Sales	-	-
Issuances	-	(1,252.24)
Settlements	-	-
Transfers into Level 3	-	-
Transfers from Level 3	-	-
Net interest income, net trading income and other income	-	1,172.20
Other comprehensive income	-	-
Closing Balance	**-**	**-**
Unrealised gains and losses related to balances held at the end of the year	**-**	**-**

46.4 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

₹ in lacs

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
	As at March 31, 2021	As at March 31, 2021		
Equity Instruments	-	-	NA	NA

₹ in lacs

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
	As at March 31, 2020	As at March 31, 2020		
Equity Instruments	-	-	NA	NA

46. FAIR VALUE MEASUREMENT (Contd.)

46.5 Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, instruments classified as FVTPL would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

The table below shows data in relation to Level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Group is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

₹ in lacs

Particulars	As at March 31, 2021		As at March 31, 2020	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Equity instrument	-	-	-	-

46.6 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non financial liabilities.

₹ in lacs

As at March 31, 2021	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	3,91,641.65	3,91,641.65	-	-	3,91,641.65
Bank balance other than cash and cash equivalents	1,44,309.16	1,44,309.16	-	-	1,44,309.16
Receivables	229.99	-	-	229.99	229.99
Loans	30,79,779.88	-	-	30,13,702.26	30,13,702.26
Investments	79,909.67	75,386.89	-	5,181.23	80,568.12
Other financial assets	16,234.07	-	-	16,234.07	16,234.07
Total financial assets	**37,12,104.42**	**6,11,337.70**	**-**	**30,35,347.55**	**36,46,685.25**
Financial liabilities:					
Other Payables	8,352.26	-	-	8,352.26	8,352.26
Debt securities	4,84,252.82	-	5,04,595.17	-	5,04,595.17
Borrowings (other than debt securities)	18,37,472.96	-	18,91,162.53	-	18,91,162.53
Deposits	5,52,888.78	-	-	5,61,390.07	5,61,390.07
Subordinated liabilities	-	-	-	-	-
Other financial liabilities	43,900.35	-	-	43,900.35	43,900.35
Total financial liabilities	**29,26,867.17**	**-**	**23,95,757.70**	**6,13,642.68**	**30,09,400.38**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

46. FAIR VALUE MEASUREMENT (Contd.)

₹ in lacs

As at March 31, 2020	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	2,24,053.78	2,24,053.78	-	-	2,24,053.78
Bank balance other than cash and cash equivalents	97,859.03	97,859.03	-	-	97,859.03
Receivables	90.41	-	-	90.41	90.41
Loans	28,60,101.36	-	-	28,80,681.88	28,80,681.88
Investments	47,463.22	48,166.31	-	-	48,166.31
Other financial assets	12,618.14	-	-	12,618.14	12,618.14
Total financial assets	**32,42,185.94**	**3,70,079.12**	**-**	**28,93,390.43**	**32,63,469.55**
Financial liabilities:					
Other Payables	8,096.32	-	-	8,096.32	8,096.32
Debt securities	4,85,324.94	-	4,51,604.79	-	4,51,604.79
Borrowings (other than debt securities)	15,99,030.53	-	16,08,685.75	-	16,08,685.75
Deposits	4,01,206.80	-	-	3,91,532.19	3,91,532.19
Subordinated liabilities	23,923.91	-	-	23,923.91	23,923.91
Other financial liabilities	49,945.43	-	-	49,945.43	49,945.43
Total financial liabilities	**25,67,527.93**	**-**	**20,60,290.54**	**4,73,497.85**	**25,33,788.39**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

46.7 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 1 / Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Group uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.

46. FAIR VALUE MEASUREMENT (Contd.)

Financial assets at amortised cost

The fair values of financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on market prices for similar instruments or on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

Fair Value Measurement - Non-Financial assets

Repossessed House Property are non-financial assets which are measured at fair value through profit and loss. At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a re-valuation.

The non-recurring fair value measurement for the assets Repossessed House Property has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

₹ in Lacs

Particulars	Fair Value Hierarchy - Level 3	
	As at March 31, 2021	As at March 31, 2020
Non-Financial assets at fair value through profit or loss:		
Repossessed House Property	7,116.63	7,290.55
Total	**7,116.63**	**7,290.55**

47. RISK MANAGEMENT

Whilst risk is inherent in the Group's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

47.1 Introduction and Risk Profile

47.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Audit and Risk Management Committee which is responsible for monitoring the overall risk process within the Group.

47. RISK MANAGEMENT (Contd.)

The Audit and Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Audit and Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee.

The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Group. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

The Group's policy is that risk management processes throughout the Group are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Audit and Risk Management Committee.

47.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Group can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

47.1.3 Risk measurement and reporting systems

The Group's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Audit and Risk Management Committee and the head of each department. The Audit and Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Group.

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Group is exposed to that they decide to take on. The Group's continuous training and development emphasises that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

47.1.4 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

47. RISK MANAGEMENT (Contd.)

47.2 Credit Risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Group. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Group's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

47.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Group is also exposed to a settlement risk, being the risk that the Group honours its obligation, but the counterparty fails to deliver the counter value.

47.2.2 Impairment assessment

47.2.2.1 Definition of default

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Group
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A covenant breach not waived by the Group
- The debtor (or any legal entity within the debtor's Group) filing for bankruptcy application/protection
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

47.2.2.2 PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Group. While arriving at the PD, the Group also ensures that the factors that affects the macro economic trends are

47. RISK MANAGEMENT (Contd.)

considered to a reasonable extent, wherever necessary. Group calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied..

47.2.2.3 Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

47.2.2.4 Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any security.

47.2.2.5 Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Group assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Group may also consider that events explained in Note 47.2.2.1 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Group of similar assets (as set out in Note 47.2.2.6), the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

47.2.2.6 Grouping financial assets measured on a collective basis

As explained in Note 7.1.x dependant on the factors below, the Group calculates ECLs only on a collective basis

The Group segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Gold Loans
2. Auto Loans
3. MSME Loans
4. Two wheeler Loans
5. Personal Loans
6. Home Loans
7. Pre-Owned Two wheeler Loans
8. Loan against Property

47.2.3 Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2021 was ₹ 3,172.52 lacs (March 31, 2020 ₹ 3,597.57 lacs)

47. RISK MANAGEMENT (Contd.)

Credit risk exposure analysis

₹ in lacs

Particulars	As at March 31, 2021				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	28,49,985.18	2,45,122.54	1,93,095.20	-	32,88,202.91
Repossessed	-	-	925.74	-	925.74
Total	**28,49,985.18**	**2,45,122.54**	**1,94,020.94**	**-**	**32,89,128.66**

₹ in lacs

Particulars	As at March 31, 2020				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	26,55,317.47	1,81,594.06	2,29,336.53	-	30,66,248.06
Repossessed	-	-	1,841.22	-	1,841.22
Total	**26,55,317.47**	**1,81,594.06**	**2,31,177.75**	**-**	**30,68,089.28**

47.3 Liquidity risk and funding management

In assessing the Group's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds.

The Group maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Group also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Group's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions , issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

47.3.1. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2021:

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							-
Cash and cash equivalents and Other Bank Balances	4,17,872.85	43,078.43	60,082.38	9,456.87	-	11,496.79	5,41,987.32
Trade Receivables	229.99	-	-	-	-	-	229.99
Loans	5,96,957.15	5,31,214.78	9,34,760.56	12,60,752.52	3,96,343.55	6,17,746.44	43,37,775.00

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

47. RISK MANAGEMENT (Contd.)

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial investments at amortised cost	3,329.90	81.18	70,492.48	9,537.99	12.26	115.33	83,569.14
Financial investments at FVTOCI	51.91	57.34	112.86	435.26	453.18	10,659.33	11,769.88
Financial investments at FVTPL	434.03	-	-	326.75	326.75	326.75	1,414.28
Financial investments at Cost	45.07	40.46	56.53	25.96	-	-	168.02
Other Financial Assets	958.04	1,078.66	1,402.89	4,909.55	4,417.19	4,103.28	16,869.61
Total undiscounted financial assets	**10,19,878.94**	**5,75,550.85**	**10,66,907.70**	**12,85,444.90**	**4,01,552.93**	**6,44,447.92**	**49,93,783.24**
Financial liabilities							
Deposits	31,881.41	42,230.72	96,637.94	3,30,862.56	1,51,442.33	-	6,53,054.96
Debt securities	57,034.92	14,023.28	1,05,051.59	3,36,134.57	35,261.60	25,928.10	5,73,434.06
Borrowings (other than debt securities)	4,24,470.53	3,18,500.48	3,76,761.25	6,18,639.32	2,42,872.71	82,758.09	20,64,002.38
Subordinated Liabilities	-	-	-	-	-	-	-
Other Financial Liabilities	21,788.01	-	4,348.98	-	-	17,763.36	43,900.35
Other Payables	8,352.26	-	-	-	-	-	8,352.26
Total undiscounted financial liabilities	**5,43,527.13**	**3,74,754.48**	**5,82,799.76**	**12,85,636.45**	**4,29,576.64**	**1,26,449.55**	**33,42,744.01**
Net undiscounted financial assets/ (liabilities)	**4,76,351.81**	**2,00,796.37**	**4,84,107.94**	**(191.55)**	**(28,023.71)**	**5,17,998.37**	**16,51,039.23**

Maturity pattern of assets and liabilities as on March 31, 2020:

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							-
Cash and cash equivalents and Other Bank Balances	2,28,519.32	18,712.31	78,530.01	812.85	-	-	3,26,574.49
Trade Receivables	89.76	-	-	-	-	-	89.76
Other than Trade Receivables	0.65	-	-	-	-	-	0.65
Loans	5,05,882.33	5,37,926.30	8,47,756.49	12,48,307.48	4,42,291.91	3,83,043.14	39,65,207.65
Financial investments at amortised cost	12,794.82	81.18	27,879.79	1,519.16	8,784.54	124.52	51,184.01
Financial investments at FVTOCI	219.59	100.26	199.78	664.80	660.39	9,738.63	11,583.45
Financial investments at FVTPL	12,767.35	-	-	442.64	442.64	442.64	14,095.27
Other Financial Assets	666.84	613.92	3,361.13	3,528.14	3,240.93	2,393.60	13,804.56
Total undiscounted financial assets	**7,60,940.66**	**5,57,433.97**	**9,57,727.20**	**12,55,275.07**	**4,55,420.41**	**3,95,742.53**	**43,82,539.84**

47. RISK MANAGEMENT (Contd.)

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities							
Deposits	31,783.76	33,963.96	60,674.91	2,62,758.11	82,504.67	-	4,71,685.41
Debt securities	79,125.75	12,361.49	1,00,662.08	3,29,913.66	40,806.03	-	5,62,869.01
Borrowings (other than debt securities)	3,08,206.16	2,49,106.11	4,20,437.47	7,06,943.46	98,462.65	3,460.71	17,86,616.56
Subordinated Liabilities	13,943.15	10,640.32	1.07	-	-	-	24,584.54
Other Financial Liabilities	27,692.80	51.01	5,051.29	-	-	17,150.33	49,945.43
Other Payables	8,096.32	-	-	-	-	-	8,096.32
Total undiscounted financial liabilities	**4,68,847.94**	**3,06,122.89**	**5,86,826.82**	**12,99,615.23**	**2,21,773.35**	**20,611.04**	**29,03,797.27**
Net undiscounted financial assets/(liabilities)	**2,92,092.72**	**2,51,311.08**	**3,70,900.38**	**(44,340.16)**	**2,33,647.06**	**3,75,131.49**	**14,78,742.57**

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31,2021							
In respect of Income tax demands where the Group has filed appeal before various authorities	-	-	-	-	-	116.45	116.45
VAT demand where the Group has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Guarantees and counter guarantees	-	-	-	110.00	-	25.00	135.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	302.41	24.56	-	-	-	-	326.97
Commitments related to loans sanctioned but undrawn	23,786.60	-	-	-	-	-	23,786.60
Total commitments	**24,089.01**	**24.56**	**-**	**110.00**	**-**	**8,420.69**	**32,644.26**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

47. RISK MANAGEMENT (Contd.)

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31,2020							
In respect of Income tax demands where the Group has filed appeal before various authorities	-	78.08	-	-	-	116.45	194.53
VAT demand where the Group has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Guarantees and counter guarantees	-	-	-	110.00	-	2,525.00	2,635.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	295.37	10.97	-	-	-	-	306.34
Commitments related to loans sanctioned but undrawn	19,409.55	-	-	-	-	-	19,409.55
Total commitments	**19,704.92**	**89.05**	**-**	**110.00**	**-**	**10,920.69**	**30,824.66**

47.4 Market Risk

Market risk is that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Group exposure to changes in interest rates relates to the Group outstanding floating rate liabilities. Most of the Group outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Group are linked to rate benchmarks such as Bank MCLR and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The sensitivity of the Group floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2021

₹ in lacs

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Term Loans - Bank	9,78,740.40	1,25,522.37	(99,826.85)
Term Loans - Financial Institution	2,63,930.95	38,545.38	(29,625.24)
Total floating rate borrowings	**12,42,671.35**	**1,64,067.75**	**(1,29,452.09)**

As at March 31, 2020

₹ in lacs

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Term Loans - Bank	9,11,703.81	1,05,212.41	(85,420.85)
Term Loans - Financial Institution	64,040.47	7,092.15	(5,787.33)
Total floating rate borrowings	**9,75,744.28**	**1,12,304.56**	**(91,208.18)**

Fair value sensitivity analysis for fixed rate instruments

The Group fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

48. Based on the intimation received by the Group, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount remaining unpaid to supplier as at the end of the year	18.90	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

49. The Group is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

50. Expenditure in foreign currency: ₹ 623.25 lacs (March 31, 2020: Nil).

51. The Group had no discontinuing operations during the year ended March 31, 2021.

52. EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

53. TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities

53.1.1 Shriram City Union Finance Limited

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Securitisations		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	3,44,849.01	3,60,074.75
Carrying amount of associated liabilities (Borrowings (other than debt securities)- measured at amortised cost)	3,38,459.12	3,77,760.19
Fair value of assets	3,58,964.40	3,75,611.72
Fair value of associated liabilities	3,72,624.36	3,87,415.42
Net position at Fair Value	(13,659.96)	(11,803.70)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

53. TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY (Contd.)

53.1.2 Shriram Housing Finance Limited

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	7,161.27	3,972.51
Carrying amount of associated liabilities (Borrowings (other than debt securities)- measured at amortised cost)	7,412.99	4,019.31
Fair value of assets	7,161.27	3,972.15
Fair value of associated liabilities	7,412.99	4,019.31
Net position at Fair Value	(251.73)	(47.16)

54. DISCLOSURE RELATING TO SECURITISATION

54.1.1 Shriram City Union Finance Limited

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total number of transactions under par structure	9	15
Total book value of assets	2,11,842.97	3,99,923.33
Sale consideration received	2,11,842.97	3,99,923.33

54.1.2 Shriram Housing Finance Limited

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total number of transactions under par structure	1	1
Total book value of assets	4,068.74	4,464.59
Sale consideration received	4,068.74	4,464.59

54. DISCLOSURE RELATING TO SECURITISATION (Contd.)

54.2.1 Shriram City Union Finance Limited

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	No of SPVs sponsored by the Company for securitisation transactions (in No.)	23	18
2	Total amount of securitised assets as per books of the SPVs sponsored by the Company	3,44,849.01	3,60,074.75
3	Total amount of exposures retained by the Company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-Balance Sheet exposures		
	First loss	97,554.28	70,520.71
	Others	160.82	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

54.2.2 Shriram Housing Finance Limited

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	No of SPVs sponsored by the Company for securitisation transactions (in No.)	2	1
2	Total amount of securitised assets as per books of the SPVs sponsored by	7,384.25	4,001.54
3	Total amount of exposures retained by the Company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	651.00	647.50
	Others	-	-

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

54. DISCLOSURE RELATING TO SECURITISATION (Contd.)

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

55. DISCLOSURE RELATING ASSIGNMENT

55.1.1 Shriram City Union Finance Limited

(i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	No of transactions Assigned by the Company	5	7
2	Total amount of Outstanding	10,419.30	47,619.99
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet		
	a) Off-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-Balance Sheet exposures		
	First loss	-	-
	Others	1,009.52	4,752.87
4	Amount of exposures to Assigned transaction other than MRR		
	a) Off-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

55. DISCLOSURE RELATING ASSIGNMENT (Contd.)

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
	b) On-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

(ii) Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium: Nil (March 31, 2020: Nil)

55.1.2 Shriram Housing Finance Limited

(i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	No of transactions Assigned by the Company	12	6
2	Total amount of Outstanding	50,034.13	28,357.19
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet		
	a) Off-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-Balance Sheet exposures		
	First loss	-	-
	Others	8,923.94	4,470.22
4	Amount of exposures to Assigned transaction other than MRR		
	a) Off-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

(ii) Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium: Nil (March 31, 2020: Nil)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

55. DISCLOSURE RELATING ASSIGNMENT (Contd.)

55.2 No financial assets are sold to Securitisation/Reconstruction company for asset reconstruction as on March 31, 2021 and March 31, 2020.

55.3 Details of Assignment transactions undertaken by the Company during the year

55.3.1 Shriram City Union Finance Limited

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
No. of accounts	-	1,44,261
Aggregate value (net of provision) of account sold	-	57,157.58
Aggregate consideration	-	57,157.58
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	-	-

Pursuant to the directives dated March 13, 2020 from the Reserve Bank of India, the Board of Directors have approved the policy for sales out of amortised cost business model portfolios. The company has assigned loans (earlier measured at amortised cost) by way of direct assignment. Since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet.

55.3.2 Shriram Housing Finance Limited

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
No. of accounts	2,600	3,257
Aggregate value (net of provision) of account sold	30,411.59	29,356.70
Aggregate consideration	30,411.59	29,356.70
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	-	-

55.4 The Group has not purchased/sold non-performing assets for the year ended March 31, 2021 and March 31, 2020

56. INVESTMENTS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
(1) Value of investments		
(i) Gross value of investments		
(a) In India	82,729.30	63,402.84
(b) Outside India,	9,686.10	8,917.14
(ii) Provisions for depreciation		
(a) In India	8.50	1.81
(b) Outside India,	-	-
(iii) **Net value of investments**		
(a) In India	**82,720.80**	**63,401.03**
(b) Outside India,	**9,686.10**	**8,917.14**
(2) Movement of provisions held towards depreciation on investments		
(i) **Opening balance**	**1.81**	**4.74**
(ii) Add : Provisions made during the year	6.69	-
(iii) Less : Write-off/write-back of excess provisions during the year	-	(2.93)
(iv) **Closing balance**	**8.50**	**1.81**

57. DERIVATIVES

57.1 Forward rate agreement/Interest rate swap: Nil

57.2 Exchange Traded interest rate (IR) derivatives: Nil

58. RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

58.1 Shriram City Union Finance Limited

Rating Agency	Rating Instrument	As at March 31, 2021	As at March 31, 2020
India Ratings	Long-Term (NCDs)	IND AA/ Stable	IND AA/ Stable
	Long-Term (NCDs-MLD)	IND PP-MLD AAemr/ Stable	NA
	Short-Term (CP)	NA	IND A1+
	Bank Loan Ratings	IND AA/ Stable	IND AA/ Stable
	Fixed deposit	IND tAA/ Stable	IND tAA/ Stable
CARE	Long-Term (NCDs)	CARE AA+ /Stable	CARE AA+ /Stable
	Short-Term (CP)	CARE A1+	CARE A1+
	Subordinate Debt	NA	CARE AA+ /Stable
	Fixed deposit	CARE AA(FD) /Stable	CARE AA+ (FD) /Stable
ICRA	Long-Term (NCDs)	ICRA AA / Stable	ICRA AA / Stable
	Long-Term (NCDs-MLD)	PP-MLD ICRA AA/Stable	NA
	Short-Term (CP)	ICRA A1+	ICRA A1+
	Fixed deposit	MAA+ / Stable	MAA+ / Stable
CRISIL	Long-Term (NCDs)	CRISIL AA / Stable	CRISIL AA / Stable
	Short-Term (CP)	CRISIL A1+	CRISIL A1+
	Subordinate Debt	NA	CRISIL AA / Stable

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

58. RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR (Contd.)

58.2 Shriram Housing Finance Limited

Rating Agency	Rating Instrument	As at March 31, 2021	As at March 31, 2020
India Ratings	Long-Term (NCDs)	IND AA	IND AA / Stable
	Bank Loan Ratings	IND AA	IND AA / Stable
CARE	Long-Term (NCDs)	CARE AA	CARE AA+
	Short-Term (CP)	CARE A1+	CARE A1+
	Long-Term Bank Loan Ratings	CARE AA	CARE AA+
	Short-Term Bank Loan Ratings	NA	CARE A1+
	Subordinate Debts	CARE AA	CARE AA+
CRISIL	Bank Loan Ratings	CRISIL AA	CRISIL AA
	Long-Term (NCDs)	CRISIL AA	CRISIL AA

59. EXPOSURE TO REAL ESTATE SECTOR

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
i)	**Residential Mortgages** -Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	3,02,057.42	2,95,095.70
ii)	**Commercial Real Estate** -Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	62,103.55	92,654.80
iii)	**Investments in Mortgage Backed Securities(MBS) and other securitised exposures -**		
	Residential	14.15	76.57
	Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	**3,64,175.13**	**3,87,827.07**

60. EXPOSURE TO CAPITAL MARKET

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	27,002.57	25,947.13
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to capital market	**27,002.57**	**25,947.13**

61. DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

The Group does not have any Parent Company, hence not applicable.

62. DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC

The Group has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

63. UNSECURED ADVANCES

The Group has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

64. PROVISIONS AND CONTINGENCIES

64.1.1 Shriram City Union Finance Limited

₹ in lacs

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2021	Year ended March 31, 2020
Provisions for depreciation on investments	6.47	-
Provision towards NPA#	(9,804.56)	(2,699.21)
Provision made towards income tax	37,844.33	35,448.10
Provision for Standard Assets##	9,912.24	14,449.61
Provision towards impairment of financial instruments other than provision for stage 3 assets	171.58	97.45

Expected Credit Loss Provision for stage 3 assets

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets

64.1.2 Shriram Housing Finance Limited

₹ in lacs

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2021	Year ended March 31, 2020
Provisions for depreciation on investments ##	(30.46)	(2.94)
Provision towards NPA#	347.71	943.36
Provision made towards income tax	935.98	1,422.52
Provision for Standard Assets#	905.45	42.93
Provision for Undrawn commitment	(21.93)	89.91
Provision for Assignment Receivables	185.53	184.83
Other Provision and Contingencies		
Provision for Gratuity	68.30	38.09
Provision for Leave benefits	(25.62)	(34.67)

Amount shown is as per expected credit loss(ECL) of loans & non funded exposure as per Ind AS

Amount shown is as per expected credit loss(ECL) of investment & ECL on interest on investment as per Ind AS

65. DRAW DOWN FROM RESERVES

The draw down from reserves was Nil.

66. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs

66.1.1 Shriram City Union Finance Limited

a) Concentration of deposits (for deposit taking NBFCs)

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total deposits of twenty largest depositors	13,448.28	11,139.38
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.43%	2.78%

66. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

b) Concentration of advances

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total advances to twenty largest borrowers	28,565.33	36,697.71
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.97%	1.28%

c) Concentration of exposures

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total exposure to twenty largest borrowers/customers	22,622.75	30,081.83
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	0.77%	1.05%

d) Concentration of NPAs

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to top four NPA accounts	4,016.98	5,549.65

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

e) Sector-wise NPAs

S. no	Sector	As at March 31, 2021	As at March 31, 2020
		Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME / Corporate borrowers	7.26%	8.33%
3	Services	-	-
4	Loan Against Property	-	
5	Unsecured personal loans	10.86%	11.59%
6	Auto loans		
	i) Auto Loans	8.56%	5.42%
	ii) Two wheeler	5.80%	8.12%
	iii) Pre Owned Two Wheeler	2.21%	0.00%
7	Other personal loans		
	i) Consumer Durable	-	-
	ii) Pledged Jewel	2.86%	4.37%
8	Others	1.04%	0.84%

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

66. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

66.1.2 Shriram Housing Finance Limited

a) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Deposits of twenty largest depositors	N.A.	N.A.
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC		

b) Concentration of Loans & Advances

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Loans & Advances to twenty largest borrowers	22,940.75	20,949.10
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	6.77%	10.48%

c) Concentration of all Exposure (including off-balance sheet exposure)

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to twenty largest borrowers /customers	26,779.85	22,588.89
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	7.50%	10.34%

d) Concentration of NPAs#

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to top ten NPA accounts	1,556.24	1,242.58

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 91 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

66. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

e) Sector-wise NPAs#

S. no	Sector	As at March 31, 2021 Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:	
1	Individuals	0.59%
2	Builders/Project Loan	0.17%
3	Corporates	-
4	Others (specify)	-
B.	Non-Housing Loans:	
1	Individuals	2.13%
2	Builders/Project Loan	-
3	Corporates	0.60%
4	Others (specify)	-

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 91 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Movement of NPAs #

66.2.1 Shriram City Union Finance Limited

₹ in lacs

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i)	Net NPAs to Net Advances (%)	3.08%	4.23%
	Movement of NPAs (Gross)		
	(a) Opening balance	2,26,293.73	2,57,668.91
(ii)	(b) Additions during the year	1,00,911.36	1,39,451.43
	(c) Reductions during the year	(1,39,606.34)	(1,70,826.61)
	(d) Closing balance	**1,87,598.75**	**2,26,293.73**
	Movement of Net NPAs		
	(a) Opening balance	1,16,618.58	1,45,294.23
(iii)	(b) Additions during the year	25,800.77	69,564.03
	(c) Reductions during the year	(54,691.19)	(98,239.67)
	(d) Closing balance	**87,728.16**	**1,16,618.58**
	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1,09,675.14	1,12,374.68
(iv)	(b) Provisions made during the year	75,110.59	69,887.40
	(c) Write-off / write-back of excess provisions	(84,915.15)	(72,586.94)
	(d) Closing balance	**99,870.58**	**1,09,675.14**

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

66. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

66.2.2 Shriram Housing Finance Limited

₹ in lacs

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
(i)	Net NPAs to Net Advances (%)	1.47%	1.90%
(ii)	Movement of NPAs (Gross)		
	a) Opening balance	4,884.02	5,164.85
	b) Additions during the year	3,003.58	2,646.46
	c) Reductions during the year	(1,465.41)	(2,927.29)
	d) Closing balance	**6,422.19**	**4,884.02**
(iii)	Movement of Net NPAs		
	a) Opening balance	3,825.05	4,049.24
	b) Additions during the year	2,305.64	2,043.69
	c) Reductions during the year	(1,115.19)	(2,267.88)
	d) Closing balance	**5,015.50**	**3,825.05**
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	1,058.97	1,115.61
	b) Provisions made during the year	697.94	602.77
	c) Write-off/write-back of excess provisions	(350.22)	(659.41)
	d) Closing balance	**1,406.69**	**1,058.97**

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 91 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

The Group had granted moratorium upto six months on the payment of installments falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package' and RBI guidelines on EMI moratorium dated April 17, 2020. Further, period for which moratorium was granted had not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI and DPD freeze for such period by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Group continued to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The COVID-19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Group's business operations. The Group has considered an additional Expected Credit Loss (ECL) provision of ₹ 28,273.05 lacs on account of COVID-19 during year ended March 31,2021. As at March 31,2021, additional ECL provision on loan assets as management overlay on account of COVID-19 stood at ₹ 71,876.72 lacs. The additional ECL provision on account of COVID-19 is based on the Group's historical experience, collection efficiencies post completion of Moratorium period, scheme by Government of India, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Group's management is continuously monitoring the situation and the economic factors affecting the operations of the Group.

67. OVERSEAS ASSETS (for those with joint ventures and subsidiaries abroad)

The Group does not have any joint venture or subsidiary abroad, hence not applicable

68. OFF-BALANCE SHEET SPVS SPONSORED (which are required to be consolidated as per accounting norms)

The Group has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

69. CUSTOMER COMPLAINTS

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Number of complaints pending at the beginning of the year	25	20
(b)	Number of complaints received during the year	2,982	2,792
(c)	Number of complaints redressed during the year	3,005	2,787
(d)	Number of complaints pending at the end of the year	2	25

70. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

70.1 Shriram city union Finance Limited

₹ in lacs

Sr. No	Authority	Details of non-compliance made by the Company for which penalty has been levied	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/ Stay Received	Date of payment	Status as on March 31, 2021
1	Reserve Bank of India	Non-Compliance with directions issued by RBI on verification of the ownership of gold jewellery	5.00	5.00	Nil	Nil	October 12, 2020	Paid
2	Insurance Regulatory and Development Authority of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	Enforcement Directorate (ED) / Adjudicating Authority/ Tribunal or any authority under FEMA	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Securities and Exchange Board of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Competition Commission of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

70. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS (Contd.)

₹ in lacs

Sr. No	Authority	Details of non-compliance made by the Company for which penalty has been levied	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/ Stay Received	Date of payment	Status as on March 31, 2021
7	Financial Intelligence Unit - India	Failure of the Company to file CTR, to evolve an internal mechanism for detecting the transactions, to put in place of an effective mechanism to detect and report suspicious transactions, to undertake risk categorisation of the customers and to conduct periodical review of risk categorisation, to identify and verify the Beneficial Owner	4.50	4.50	Nil	Nil	January 1, 2021	Paid

No penalties have been levied by any regulator on the Company for the year ended March 31, 2020.

70.2 Shriram Housing Finance Limited

No penalties have been imposed by NHB and other regulators for the year ended March 31, 2021 (March 31, 2020: Nil)

71. DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR VIDE DNBS. PD. CC NO. 256/03.10.042/2011-12 DATED MARCH 2, 2012

71.1 Shriram City Union Finance Limited

Instances of fraud for the year ended March 31, 2021:

₹ in lacs

Particulars	Less than ₹ 1 lacs		₹ 1 lac to ₹ 25 lacs		Greater than ₹ 25 lacs		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Staff & Customer	-	-	2	5.00	-	-	2	5.00
Customer	-	-	-	-	-	-	-	-
Customer & Outsider	-	-	-	-	-	-	-	-
Staff, Customer & Outsider	-	-	-	-	-	-	-	-
Total	**-**	**-**	**2**	**5.00**	**-**	**-**	**2**	**5.00**
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	-	-	2	5.00	-	-	2	5.00
Total	**-**	**-**	**2**	**5.00**	**-**	**-**	**2**	**5.00**

"- "represents Nil

71. DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR VIDE DNBS. PD. CC NO. 256/03.10.042/2011-12 DATED MARCH 2, 2012 (Contd.)

71.2 Shriram Housing Finance Limited

Instances of fraud for the year ended March 31, 2021: Two frauds were detected during the year ended March 31, 2021 and was duly reported to the Board and National Housing Bank. While in one case, the fraud was detected before the disbursement of loan and hence there was no principal loss to the subsidiary company, in the second case, the loan outstanding of ₹22.40 lacs was fully written-off during the year.

72. ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2021

₹ in lacs

Particulars	Upto 30/31 Days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	9,454.48	9,697.77	12,304.94	40,859.07	90,645.87	2,80,783.32	1,09,143.33	-	5,52,888.78
Advances*	1,91,113.30	1,25,251.91	1,33,557.17	3,93,674.14	7,13,677.50	9,43,942.16	2,19,126.74	3,59,436.96	30,79,779.88
Investments	739.98	3,035.97	24.68	72.29	68,210.46	8,823.87	615.65	10,883.99	92,406.90
Borrowings	1,45,065.24	1,03,323.64	1,15,892.77	2,44,771.96	6,32,260.67	8,51,306.81	1,93,209.72	35,894.97	23,21,725.78
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

As at March 31, 2020

₹ in lacs

Particulars	Upto 30/31 Days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	9,781.80	10,148.78	11,456.95	32,897.45	57,201.65	2,21,190.03	58,530.14	-	4,01,206.80
Advances*	1,37,628.10	93,375.72	1,35,020.48	4,06,351.40	6,47,703.15	9,50,035.19	2,50,403.50	2,39,583.82	28,60,101.36
Investments	13,144.73	52.56	12,328.80	61.10	26,558.33	801.13	8,986.55	10,384.97	72,318.17
Borrowings	70,359.39	82,484.51	98,453.07	1,84,849.31	6,15,907.29	9,28,263.02	1,24,294.25	3,668.55	21,08,279.38
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

* net of Impairment loss allowance.

73. PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

As per our report of even date
For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number : 100515W

Anagha M.Nanivadekar
Partner
Membership No.121007
Pune, April 30, 2021

Place: Chennai
Date : April 30, 2021

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

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Shriram City Union Finance Ltd.

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SHRIRAM CITY UNION FINANCE LIMITED
CIN: L65191TN1986PLC012840
Regd. office: 123, Angappa Naicken Street, Chennai 600 001, Tamil Nadu. Telephone No + 91 44 25341431
Secretarial Office: 144,Santhome High Road, Mylapore, Chennai-600004.
Telephone No +91 44 43925300
Website:www.shriramcity.in ; Email:sect@shriramcity.in

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NOTICE OF THE THIRTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS

Notice is hereby given to the members of Shriram City Union Finance Limited, Corporate Identification Number - L65191TN1986PLC012840 ("Company") that Thirty Sixth Annual General Meeting ("AGM") of the members of the Company will be held on Friday, July 22, 2022 at 10 a m Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") at Chennai to transact the following business.

ORDINARY BUSINESS:

Item no - 1: Adoption of standalone financial statements

To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon.

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon be and are hereby considered and adopted."

Item no - 2: Adoption of consolidated financial statements

To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 together with the report of the Auditors thereon.

"RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors be and are hereby considered and adopted."

Item no-3 : Declaration of dividend

(i) To confirm the payment of interim dividend (first and second) @ ₹ 10 and ₹ 27 respectively per equity per share of ₹ 10 each of the Company and paid during the financial year ended March 31, 2022.

"RESOLVED THAT the Members of the Company record and confirm payment of Interim Dividend (first) of ₹ 10 (Rupees ten only) per equity share of face value of ₹ 10 each aggregating to an amount of ₹ 66,15,81,390/- (Rupees Sixty six crores fifteen lakhs eighty one thousand three hundred ninety only) subject to deduction of tax at source, as applicable for the financial year ended March 31, 2022 paid on November 24, 2021 .

"RESOLVED THAT the Members of the Company record and confirm payment of Interim Dividend (second) of ₹ 27 (Rupees twenty seven only) per equity share of face value of ₹ 10 each aggregating to an amount of and ₹ 1,79,82,48,195/- (Rupees One hundred seventy nine crores eighty two lakhs forty eight thousand one hundred ninety five only) subject to deduction of tax at source, as applicable for the financial year ended March 31, 2022 paid on March 25, 2022."

Item no-4 : Retirement of Director by rotation

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION.

To appoint a Director in place of Sri Ignatius Michel Viljoen (holding Director Identification Number 08452443) who retires by rotation under Section 152 (6) of the Companies Act, 2013 and being eligible seeks re-appointment.

"RESOLVED THAT the approval of members of the Company be and hereby accorded, pursuant to Section 152 and other applicable provisions of Companies Act, 2013 to the re-appointment of Sri Ignatius Michael Viljoen (holding Director Identification Number 08452443) as a Director of the Company liable to retire by rotation."

Item no - 5 : Remuneration of joint Auditors

To fix remuneration of joint Auditors of the Company and in this regard to pass the following resolutions as Ordinary Resolution.

i. **"RESOLVED THAT** pursuant to section 139, 141, 142 and applicable sections of the Companies Act, 2013 ("Act"), Companies (Audit and Auditors) Rules, 2014 and other applicable rules, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable guidelines/directions/circulars of RBI including any statutory modification(s) or enactment(s) thereof for the time being in force and pursuant to the recommendations of the Audit and Risk Management Committee ("ARMC") and the Board of Directors of the Company ("Board"), the Members of the Company ("Members") approve the continuity of term of M/s R Subramanian & Company LLP, Chartered Accountants Firm Registration Number 004137S/S200041 ("RS"),

Notice (Contd.)

Chennai who have expressed their willingness, and have confirmed their eligibility and independence to continue as joint statutory auditors of the Company from the conclusion of the 36th Annual General Meeting of the Company ("AGM") till next AGM of the Company **AND** the members fix the remuneration of RS as ₹ 27.50 Lakhs or such other amount on pro-rata basis (excluding the reimbursement of expenses incurred in connection with audit work, fees for other assignments and applicable taxes) for the financial year 2022-23 and such remuneration may be paid on progressive basis as fixed by the Board /ARMC/Director, Chief Financial Officer in consultation with RS **AND** the Members authorise any director/CFO/Company Secretary to do all such acts and take all such steps as may be considered necessary, proper and expedient to give effect to this resolution."

ii. **"RESOLVED THAT** pursuant to section 139, 141, 142 and applicable sections of the Companies Act, 2013 ("Act"), Companies (Audit and Auditors) Rules, 2014 and other applicable rules, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable guidelines/directions/circulars of RBI including any statutory modification(s) or enactment(s) thereof for the time being in force and pursuant to the recommendations of the Audit and Risk Management Committee ("ARMC") and the Board of Directors of the Company ("Board"), the Members of the Company ("Members") approve the continuity of term of M/s Abarna and Ananthan, Chartered Accountants Firm Registration Number 000003S ("A&A"),Bengaluru ("A&A"), who have expressed their willingness, and have confirmed their eligibility and independence to continue as joint statutory auditors of the Company from the conclusion of the 36th Annual General Meeting of the Company ("AGM") till next AGM of the Company **AND** the members fix the remuneration of A&A as ₹ 27.50 Lakhs or such other amount on pro-rata basis (excluding the reimbursement of expenses incurred in connection with audit work, fees for other assignments and applicable taxes) for the financial year 2022-23 and such remuneration may be paid on progressive basis as fixed by the Board /ARMC/Director, Chief Financial Officer in consultation with A&A **AND** the Members authorise any director/CFO/Company Secretary to do all such acts and take all such steps as may be considered necessary, proper and expedient to give effect to this resolution."

SPECIAL BUSINESS

Item no - 6 : Appointment of Sri Umesh G Revankar (Director Identification Number - 00141189) as Non Executive and Non Independent Director of the Company

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to the provisions of section 149, 152,161,178 and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and Regulation 19 (4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, regulations, notifications and circulars of Reserve Bank of India and other applicable laws, Sri Umesh G Revankar (Director Identification Number - 00141189), who was appointed by the Board of Directors as an Additional Director of the Company with effect from December 14, 2021 to hold office only upto the date of the ensuing Annual General Meeting pursuant to Section 161 of the Act, who is eligible for appointment and has given consent to act as a Director (Non Executive and Non Independent) and as recommended by the Nomination and Remuneration Committee and in respect of whom the Company has received notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director of the Company be and is hereby appointed as Director (Non Executive and Non Independent) of the Company liable to retire by rotation."

Item no -7: Borrowing Powers of the Board

To consider and if thought fit, to pass the following resolutions as SPECIAL RESOLUTION(S).

"RESOLVED THAT in supersession of the special resolutions passed at the thirty fifth Annual General Meeting of the Company held on July 29, 2021 and pursuant to Section 180 (1) (c), 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and relevant Rules prescribed under the Act, (including any statutory modifications and re-enactment thereof for the time being in force) applicable regulations of Securities and Exchange Board of India, Reserve Bank of India and any other applicable regulations, if any, the approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "Board", which term shall be deemed to include any duly authorised Committee thereof, which the Board may have constituted or hereinafter constitute from time to time by

Notice **(Contd.)**

whatever name called to exercise it's power including the power conferred by this resolution) to borrow for the purpose of the business of the Company from time to time any sum(s) of money(s), long term or short term, fund based or non-fund based, in Indian Rupee or in any foreign currency, unsecured or secured by mortgage, charge, hypothecation, lien, pledge or otherwise of the Company's assets and properties for and on behalf of the Company by way of loan(s), financial assistance(s), commercial paper(s), senior note(s), rupee denominated bonds, off shore markets, issuance of bond(s) in whatever name called from bank(s), banking company(ies), financial institution(s), body(ies) corporate(s), person(s) **AND** by way of invitation, offer, issue and allotment of redeemable non convertible debenture(s), market linked debentures, subordinated debt(s), security(ies), debt security(ies), bond(s), any paper(s) convertible or non convertible or partly convertible at premium or at discount, in one or more on private placement basis as well as public issue from any or all the Entity(ies) [the term "Entity" shall be deemed to include, individuals, persons, Banks, Institutional Investors, Foreign Institutional Investors ("FIIs"), Foreign Portfolio Investors ("FPIs"), Qualified Institutional Buyers ("QIBs"), Financial Institutions ("FIs"), Statutory Corporations, Statutory Bodies, Trusts, Provident Funds, Pension Funds, Superannuation Funds, Gratuity Funds, Alternate Investment Funds, Insurance Companies, Companies, Societies, Educational Institutions, Association of Persons, Body of Individuals, Scientific and Research Organisations/Associations, Partnerships, Firms, Limited Liability Partnerships, Resident Individuals, Non Resident Individuals ("NRIs"), High Net worth Individuals ("HNIs"), Hindu Undivided Families ("HUFs"), Shareholders, Members, Employees, Director(s)/Key Managerial Personnel(s) ("KMP"), Relation(s) of Director(s)/ KMP(s), Related Party(ies) any person/institution as the Board may decide from time to time] separately or any combination thereof by any permissible methods as the Board may decide including but not limited to shelf prospectus, prospectus, information memorandum, shelf placement memorandum (SPM), tranche placement memorandum, addendum(s) to SPM document, offer document, any other document or otherwise **AND** by way of acceptance of deposits/loans from any or all of the Entity(ies) referred above, any combination thereof **AND** by way of any other permissible instruments or methods of borrowings on such terms and conditions as the Board may deem fit notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business will or may exceed the aggregate of the paid up share capital, free reserves and securities premium of the Company so that the total amount outstanding at any point of time shall not exceed ₹ 40,000 crores (Rupees forty thousand crores).

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution and without being required to seek further consent or approval of the Members or otherwise for this purpose that they shall be deemed to have given their approval thereto expressly by authority of this resolution, the Board be and is hereby authorised to do all acts, deeds, matters and things to give full effect to the aforesaid resolution, settle and clarify any question or difficulty, finalise the form, content, extent and manner of documents and deeds, whichever applicable and execute all deeds, documents, instruments and writing, for the purpose mentioned in the aforesaid resolution in consultation with the Entities referred in aforesaid resolution and for reserving the aforesaid right.

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai
Date : May 20, 2022

C R Dash
Company Secretary

Notice (Contd.)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Annexure

Information required under Regulation 36 (3) of the LODR & SS2

Name of the Director	Sri Ignatius Michael Viljoen	Sri Umesh G Revankar
Nationality	South African	Indian
Qualifications	Master's degree in Economics with distinction from the University of the Free State, South Africa	Bachelor's degree in Business Management from Mangalore University and a Master of Business Administration in Finance.
Date of Birth/ Age	January 14, 1973/49 yrs	October 27, 1964/57 yrs
DIN	08452443	00141189
Date of first appointment on the Board of Directors	July 29, 2019	December 14, 2021
Nature of Expertise in specific functional areas	Financial, Regulatory affairs, Business analysis, Investor Servicing and Risk Management	Financial, Regulatory affairs, Technology, Risk Management, Planning, Human Resource Management/Leadership
Directorship held in other Companies	1. Sanlam Credit Fund Advisor (Pty) Limited 2. Shriram Transport Finance Company Limited 3. African Life Holdings Limited 4. African Life Financial Services Zambia Limited 5. African Life Properties Limited 6.Botswana Insurance Fund Management Limited 7. Letshego Holdings Limited	1. Shriram Transport Finance Company Limited 2. Shriram Capital Limited 3. Shriram Credit Company Limited 4. Shriram General Insurance Company Limited 5. Shriram Automall India Limited
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholders Relationship Committee)	-	1. Member – Stakeholders Relationship Committee – Shriram Transport finance Company Limited 2. Member – Audit Committee – Shriram Capital Limited 3. Member – Audit Committee – Shriram Credit Company Limited 4. Member – Audit Committee - Shriram Automall Limited
Disclosure of relationships between directors/ Key Managerial Personnel inter-se	There is no inter-se relationship between Sri Ignatius Michael Viljoen and the directors on the Board of Directors of the Company and Key Managerial Personnel	There is no inter-se relationship between Sri Umesh G Revankar and the directors on the Board of Directors of the Company and Key Managerial Personnel
Terms and conditions of re-appointment	Sri Ignatius Michael Viljoen is liable to retire by rotation	Sri Umesh G Revankar is liable to retire by rotation
Number of Meetings attended	5 out of 7 meetings held during 2021-2022	1 out of 2 meetings held during 2021-2022 from the date of his appointment
Shareholding in the Company	Nil	Nil
Remuneration Paid during 2021-22 (₹ in Lakhs)	Not Applicable	Not Applicable
Remuneration payable (₹ in Lakhs)	Not Applicable	Not Applicable

Notice (Contd.)

Item No 5

In compliance with the aforesaid RBI Guidelines, the previous joint Statutory Auditors of the Company M/s G D Apte & Co, Chartered Accountants vide their letter dated July 29, 2021 had communicated to the Company their inability to continue to hold office as Statutory Auditors of the Company as they had already completed the tenure of 4 years on the date of coming into effect the RBI Guidelines and had communicated their intention to resign as the Statutory Auditors of the Company on conclusion of Extraordinary general Meeting ("EGM") held by the Company on September 8, 2021 in compliance with the RBI Guidelines.

The Audit and Risk Management Committee Meeting and Board at their respective meetings held on July 29, 2021 had passed resolution(s) recommending to the Members of the Company for approval of the appointment of M/s R Subramanian & Company LLP, Chartered Accountants Firm Registration Number 004137S/ S200041 ("RS"), Chennai and M/s Abarna and Ananthan, Chartered Accountants Firm Registration Number 000003S ("A&A"), Bengaluru as new joint Statutory Auditors of the Company.

Accordingly and pursuant to Section 139 (8) (i) of the Act, the Members of the Company appointed R S & A&A at the Extraordinary General Meeting held on September 8, 2021 to hold office from the conclusion of EGM till the conclusion of 36th AGM of the Company to conduct the audit of accounts of the Company for the financial year 2021-22.

RS & A&A have confirmed that they continue to be eligible for appointment as joint Statutory Auditors till next AGM. The Audit and Risk Management Committee and the Board of Directors in their respective meetings held on April 29, 2022 have recommended to the Members that RS & A&A can continue as joint Statutory Auditors of the Company from the conclusion of 36th AGM till next AGM of the Company.

Disclosure under Regulation 36 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015

Audit fees proposed to be paid to Joint Statutory auditors for the financial year ending March 31, 2023	Name of joint Statutory Auditors	Remuneration as mentioned in the item no 2 above (Amount in Rupees)
	M/s R Subramanian & Company LLP	27,50,000
	M/s Abarna & Ananthan	27,50,000
Terms of appointment	From the conclusion of 36th AGM till the conclusion of next AGM of the Company to conduct the audit of accounts of the Company for the Financial Year 2022-23	
Material change in fee payable to the proposed joint Statutory Auditors for the financial year 2022-23	There is no material change in fee to be paid to the incoming joint Statutory Auditors proposed to be appointed through the ordinary resolution as set out at Item No. 5 of the Notice of this AGM.	
Basis of recommendation and auditor credentials.	The recommendations made by the Audit and Risk Management Committee and the Board of Directors of the Company are in compliance with the RBI guidelines and in fulfilment of the eligibility criteria prescribed under the Companies Act, 2013 and the applicable rules made under the Act with regard to the full time partners, statutory audit experience of NBFCs, capability, assessment of independence, etc.	
Brief Profile of the Proposed Joint Statutory Auditors	M/s R Subramanian & Company LLP, Chartered Accountant (ICAI Firm Registration No 004137S/ S200041) established in 1974 with around five decades of audit, tax, valuation, and transaction advisory experience with headquarter in Chennai, India and offices in Bangalore, Mumbai, Delhi and Hyderabad. They have 17 partners. The firm has a valid peer review certificate M/s Abarna & Ananthan, Chartered Accountant (ICAI Firm Registration No 000003S) with close to 30 years of experience Audit, taxation and advisory services to clients throughout India. A & A have head office at Bangalore and Branch Office in Chennai. They possesses abundant experience in Banking and Financial Services Industry. The firm has a valid peer review certificate	

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None of the Directors, Key Managerial Personnel of the Company or their relatives thereof are interested or concerned financial or otherwise in the proposed resolution except to the extent of their holdings in securities of the Company, if any. The Audit and Risk Management Committee and Board have recommended passing of this resolution.

Item No 6

Sri Umesh G Revankar (DIN-00141189), was appointed as an Additional Director (Non Executive and Non Independent) by the Board in accordance with the Articles of Association under Section 161 of the Act with effect from December 14, 2021. As per Section 161 of the Act, Sri Umesh G Revankar holds office upto the date of the Thirty sixth AGM. The Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee, his eligibility and consent to act as a Director, appointed Sri Umesh G Revankar (DIN – 00141189) as a Director (Non Executive and Non Independent) with effect from December 14, 2021. The Company has received requisite notice in writing from a member under Section 160 of the Act signifying the candidature of Sri Umesh G Revankar to be appointed as a Non-Executive and Non Independent Director liable to retire by rotation. Sri Umesh G Revankar has consented to and declared as qualified for such appointment, if made. He meets the criteria as mentioned in the Policy for Appointment Remuneration and Diversity of board and the regulations of RBI including fit and proper criteria for directorship as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. Sri Umesh G Revankar possesses requisite knowledge, experience and skill for the position of Director. The Board on receipt of the said notice from a member and on the recommendation of it's Nomination and Remuneration Committee and subject to approval of members in this AGM has accorded its consent, to appoint Sri Umesh G Revankar as a Non-Executive and Non Independent Director liable to retire by rotation.

The profile and other directorships of Sri Umesh G Revankar are as under.

Sri. Umesh Govind Revankar holds a bachelor's degree in business management from Mangalore University and a master of business administration (MBA) in finance. He attended the Advanced Management Program at Harvard Business School. Sri Revankar started his career with the Shriram group as an executive trainee in 1987. He has been associated with the Shriram group for the last 33 years and has extensive experience in the financial services industry.

He holds directorships in 1.Shriram Transport Finance Company Limited,2.Shriram Capital Limited 3.Shriram Credit Company Limited,4.Shriram General Insurance Company Limited and 5.Shriram Automall India Limited. His Chairmanship/ Membership of the Committees of other Companies in which he is a Director are Member. 1. Shriram Transport Finance Company Limited - Chairman - Corporate Social Responsibility Committee, Asset Liability Management Committee, Risk Management Committee, Allotment Committee (NCDs), Securities Transfer Committee, Investment Review Committee and Banking & Finance Committee; Member - Stakeholders' Relationship Committee, IT Strategy Committee and ESG Committee. 2. Shriram Capital Limited - Member - Audit Committee and Asset Liability Management Committee. 3. Shriram Credit Company Limited - Member - Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee .4. Shriram General Insurance Company Limited - Chairman - Banking and Finance Committee, Member - Nomination and Remuneration Committee

Further details required under Regulation 36 (3) of the Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 (General Meeting on appointment and re-appointment of Directors) are provided in Annexure.

Except Sri Umesh G Revankar, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution. He is not related to any director, inter se of the Company and does not hold any share in Company. The Board of Directors recommend passing of the resolution set out in Item No - 6 of the Notice.

Item No: 7

The Company is a Non-Banking Finance Company and provides loans under various products to its borrowers. The Company raises resources by borrowing from Banks, Financial Institutions etc. Borrowing is one of the source of raising funds by the Company. The resources raised are used for onward lending and other purposes. At the 35th Annual General Meeting ("AGM") held on July 29, 2021 Board of Directors was authorised by the Members under Section 180 (1) (c) of the Act to borrow upto a limit of ₹ 40,000 crores apart from temporary loans obtained/to be obtained from the bankers (by way of cash credit limits and working capital demand loans) in the ordinary course of business. Section 180 (1) (c) of the Act provides that the Board of Directors of a Company shall only with the consent of the Company by a special resolution borrow money together with money already borrowed (apart from temporary loans obtained and /or to be obtained from

Notice (Contd.)

Company's bankers in ordinary course of business) in excess of share capital, free reserves and securities premium. In addition to the Act, Regulations of SEBI and Regulations of RBI may apply for borrowing. The expression temporary loans for this purpose means loans payable on demand or within six months from date of loan such as short term, cash credit arrangements, the discounting of bills, etc.

The amount, terms and conditions ,time etc of borrowings by the Company depend upon many factors .The amount to be borrowed, the method of borrowings, the institution to borrow from depend upon various factors and can be decided at that time by seeing the different methods/alternatives available. Raising of resources/Borrowings can be through public issue of Non convertible Debentures/Securities. The Board proposes to have the borrowing limits at ₹ 40,000 crores with no increase in the borrowing limits as approved by the members at 35th AGM of the Company apart from the temporary loans obtained/ to be obtained from the Company's bankers in the ordinary course of business.The Company will continue to maintain capital adequacy ratio, which is related to borrowings, as per the regulatory requirement of Reserve Bank of India ("RBI").

The approval of members is required to borrow funds exceeding aggregate of paid up capital, free reserves and securities premium of the Company as provided under Section 180 (1) (c) of the Act. The proposed borrowings of amount not exceeding ₹ 40,000 crores, are in excess of the limit set under Section 180 (1) (c) of the Act. Each borrowing would have terms and conditions. Different borrowings may be with different terms and conditions. The availing of borrowings, type of borrowing, the lender to borrow from the amount of borrowing within the specified limit, time of borrowing, terms and conditions of each borrowing and other matters related thereto are proposed to be left to the Board and Committee or any person authorised by the Board/ Committee. For availing different Borrowings, it would require execution of different agreements, submission of different documents, information to the LENDER(S) by the Company. LENDER(S) would require securities to be provided to them for amounts lent by them to the Company. The overall securities to be offered are expected to be 1.25 times of the borrowings, which would amount to ₹ 50,000 crores. Each borrowing may be with different kind and amount of securities. The securities offered by the Company for such borrowings may require registration of charge with Registrar of Companies or any other authority or Government. The borrowings and creation or registration of charge would require different documents to be executed with such LENDER(S) by the Company. The documents to be executed for the purpose may contain a provision to take over the substantial assets of the Company in certain events.

As per Circular no. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 issued by the Securities and Exchange Board of India ("SEBI Circular"), a Large Corporate is mandatorily required to raise at least 25% of its incremental borrowing during the financial year subsequent to the financial year in which it is identified as a Large Corporate, by way of issuance of debt securities. The Company is a Large Corporate as per this notification of SEBI and thus the Circular of SEBI applies to the Company. The Company is required to file an initial disclosure and annual disclosure to this effect with Exchanges every financial year before April 30 every year and within 45 days from the end of financial year respectively. These confirmation would be filed in due course. The incremental borrowing may be in excess of prescribed limit depending upon the requirement of funds by the Company. The Company may also issue the NCDs at discount or premium depending upon debt market conditions prevailing on the date of issue of the NCDs and relevant regulatory requirements i.e. number of ISINs maturing per financial year. The funds raised through proceeds of the issue of NCDs will be utilised for various financing, lending, and investments, repaying the existing liabilities/loans, business operations, capital expenditure, working capital requirements, issue expenses and general corporate purposes of the Company and for the purposes mentioned in the Shelf Prospectus, Prospectus, Tranche Prospectus, Shelf Disclosure Document, Information Memorandum and any other document under which issue is made. Further, passing of this resolution is also necessary in order to enable the Company to comply with the SEBI Circular. Borrowings by the Company may be for the purpose of financing, lending, investments, repaying the existing liabilities/loans, business operations, capital expenditure, revenue expenditure, working capital and general corporate purposes of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution except to the extent of their holdings in securities of the Company, if any. The Board of Directors recommend passing of the Resolution(s) set out in item no -7 of the Notice as Special Resolution(s).

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai
Date : May 20, 2022

C R Dash
Company Secretary

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NOTES FORMING A PART OF THE NOTICE:

1. The explanatory statement as required under Section 102 of the Companies Act, 2013 ("Act") with respect to ordinary/special business set out in item no.6 and 7 of the Notice is annexed hereto.
2. The General Meetings of the Companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No 14/20 dated April 8, 2020, No 17/2020 dated April 13, 2020, Circular No 20/2020 dated May 5, 2020, Circular no 2/2021 dated January 13, 2021 and Circular no 3/22 dated May 5, 2022 (MCA circulars) permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"). In compliance with the MCA and SEBI circulars, the AGM of the Company will be held through VC/OAVM without the physical presence of the Members at a common venue. The regulatory authorities (MCA & SEBI) have permitted conducting the Annual General Meeting through VC or OAVM upto December 31, 2022.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), in relation to e-voting facility and MCA circulars dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021, the Members are provided the facility to cast their vote electronically, through the remote e-voting services. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL). The facility of casting votes by a member using remote e-voting as well as e-voting facility on the date of AGM will be provided to the members by CDSL for facilitating voting through electronic means as the authorised e-voting agency.
4. As this AGM is being held through VC/OAVM pursuant to as per above said MCA circulars, the facility to appoint proxy(ies) to attend and cast vote for the members will not be available for this AGM and hence the proxy form and attendance slip are not annexed to this Notice.
5. Authorised representatives of corporate members are requested to send certified copies of such authorisation of their Board to the Company, authorising their representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting to the scrutiniser by email at sriram@prowiscorporate.com with a copy marked to helpdesk.evoting@cdslindia.com.
6. Additional information, pursuant to regulation 36 of LODR in respect of the director(s) seeking appointment/re-appointment at the AGM forms a part of this Notice. The director(s) have furnished consent/declaration for their appointment/re-appointment as required under the Act and the Rules thereunder.
7. The Notice along with the Annual Report for the year ended March 31, 2022 will be sent to all the Members by electronic mode, whose names appear in the Register of Members as on June 24, 2022. This Notice can be accessed on the web site of the Company at https://www.primeinfobase.in/ir_download/PPN_Corp_Announcements/SCUF_AGM_NOTICE_ANNUAL_REPORT_2022.pdf, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL https://www.evotingindia.com

   Members who have not registered their email address and in consequence could not receive the Notice may temporarily get their email address registered with the RTA, by sending an email to csdstd@integratedindia.in by quoting their Folio / Demat Account No. Upon updation of email, the Member will receive soft copy of the Notice and the procedure for remote e-voting along with the User ID and the Password to enable remote e-voting for this Notice. In case of any queries, Members may write to csdstd@integratedindia.in. For permanent registration of email address, the Members are however are requested to register their email address, in respect of electronic holdings with the Depositories/Depository Participant and in respect of physical holdings with the RTA.
8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The members can cast their votes by way of remote e-voting provided by the Company in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date July 15, 2022. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at csdstd@integratedindia.in. However, if he/she is already registered with CDSL for remote e-voting then

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he/she can use his/her existing User ID and password for casting the vote.

10. Pursuant to section 91 of the Act and Regulation 42 of the LODR, the Register of Members and Share Transfer Books will remain closed from Saturday, July 16, 2022 to Friday, July 22, 2022 (both days inclusive) for the purpose of AGM.
11. Shareholders holding shares in physical form under multiple folios are requested to consolidate their holdings in a single folio enabling the Company to serve effectively.
12. For updation of PAN, email / Mobile / other KYC details, Members holding shares in physical mode may submit the details in Form ISR-1 to RTA as per SEBI circular dated November 3, 2021. Members holding shares in demat mode are requested to contact their Depository Participant (DP) for updation of KYC details in their demat accounts.
13. Please update Bank Account numbers, Income Tax Permanent Account Number ("PAN") and other details by submitting the relevant documents to your DP or RTA.
14. The Statutory Registers will be available for inspection by the Members through electronic mode at the AGM. Relevant documents and statements referred to in this Notice are open for inspection by the Members at the Registered Office of the Company during business hours till the date of the AGM.
15. As per Regulation 40 of SEBI LODR, as amended, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository: Further that transmission or transposition of securities held in physical or dematerialised form shall be processed and effected only in dematerialised form. As per SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, in case of Shares held in physical form, the RTA / Issuer Companies shall verify / process the service requests Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/ folios, Transmission, Transposition and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any, for the purpose of dematerialisation.

    In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Shareholders holding shares in physical form under multiple folios are requested to consolidate their holdings in a single folio enabling the Company to serve effectively.
16. Please address all correspondence including dividend matters to the RTA.
17. Pursuant to the provisions of section 124 and 125 of the Companies Act, 2013, the dividends which remain unclaimed for a period of 7 years will be transferred by the Company to the "Investor Education and Protection Fund" ("IEPF") established by the Central Government as and when they fall due for transfer. Shareholders who have not encashed their dividend warrants/payment instrument(s) so far are requested to make their claim to the RTA before transfer to IEPF. The following table shows the details of due date of transfer of unclaimed dividend to IEPF.

Year ending on March 31	Due Date of Transfer to IEPF		Year ending March 31	Due Date of Transfer to IEPF	
	Final Dividend	Interim Dividend		Final Dividend	Interim Dividend
			2018	August 27, 2025	December 4, 2024
2015	September 1, 2022		2019	September 2, 2026	November 29, 2025
2016	September 2, 2023	December 4, 2022	2020	-	November 29, 2026
2017	August 4, 2024	December 1, 2023	2021	September 3, 2028	1. December 7, 2027 (first Interim) 2. April 30, 2028 (second Interim)
			2022	-	1. December 3, 2028 (first Interim) 2. April 12, 2029 (second Interim)

The Company is required to transfer the shares to IEPF Authority, the shares in respect of which the dividend is not claimed/ remains unpaid for seven consecutive years or more and such dividend/shares can be claimed by respective members from IEPF authority by following the prescribed procedures.

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18. Members can update their nominations by submitting respective forms to RTA or DP as the case may be.
19. Since the AGM will be held through VC/OAVM, the route map is not furnished in this Notice.
20. Shareholders seeking any information with regard to accounts are requested to write to the Company Secretary of the Company at the Secretarial Office of the Company at least 7 days in advance of the date of the AGM, so as to keep the information ready at the AGM.
21. If any votes are cast by the shareholders through remote e-voting and if same shareholders have participated in the meeting through VC/OAVM, then cast their votes during the live session of AGM then the votes cast by such shareholder through remote e-voting shall be considered valid and the vote casted at the live session of the AGM shall be considered invalid.
22. Sri P Sriram (Membership No FCS 4862), practicing Company Secretary (PCS No 3310) of M/S SPNP & Associates, Chennai as consented by him was appointed by the Company as the scrutiniser for conducting the e-voting process in accordance with the provisions of law and rules made thereunder.

I. INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit and Risk Management Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
2. The remote e-voting period shall commence from Tuesday, July 19, 2022 at 10 a m and shall close of Thursday, July 21, 2022 at 5 p m. During this period of remote e-voting, the Members of the Company, as on July 15, 2022 i.e. cut-off date, holding shares either in physical form or in dematerialised form may cast their vote electronically. The remote e-voting module will be disabled for voting thereafter.
3. The members who have casted their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
4. Institutional investors who are members of the Company are encouraged to attend and vote at the 36th AGM of the Company.
5. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
6. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

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Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding shares in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding shares in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding shares in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding shares in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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Helpdesk for Individual Shareholders holding shares in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding shares in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding shares in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/ Integrated or contact Company/ Integrated.
Dividend Bank details OR Date of Birth (DOB)	Enter the Dividend Bank details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the Depository or the Company, please enter the Member ID/folio number in the Dividend Bank details field as mentioned in section D above.

After entering these details appropriately, click on "SUBMIT" tab.

Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.

(iii) Click on the EVSN for the relevant Shriram City Union Finance Limited Limited on which you choose to vote.

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(iv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(v) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.

(vi) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(vii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(viii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(ix) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(x) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutiniser for verification.

(xi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser at the email address viz; srirampcs@gmail.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

II. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sect@shriramcity.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sect@shriramcity.in. These queries will be replied to by the Company suitably by email.

Notice (Contd.)

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

III. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO ARE NOT REGISRERED WITH THE COMPANY/DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING

i. Physical shareholders – Please provide necessary details like Folio No, Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN), Aadhar (self-attested scanned copy) to the email address of the Company/ RTA.

ii. For shareholders holding shares in Demat form – Please update your email id and mobile no with your respective Depository Participant (DP)

iii. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meeting through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Sri Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

23. The Scrutiniser shall after the conclusion of the voting at the AGM, first count the votes casted during the AGM, thereafter unblock the votes casted through remote e-voting and provide Scrutiniser's Report to the Chairperson or a person authorised by him.

The results of the voting along with the report of the Scrutiniser would be declared by displaying it on the website of the Company on or before July 25, 2022 and will also be intimated to Stock Exchanges after declaration of results. The resolutions shall be deemed to be passed at the 36th AGM of the Company.

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai
Date : May 20, 2022

C R Dash
Company Secretary

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

TOWARDS **GREATER IMPACT**

Shriram City Union Finance Limited

Annual Report **2021-22**

ACROSS **THE PAGES**

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Investor Information	
Market Capitalisation as on March 31, 2022	: ₹ 10,821 crores
CIN	: L65191TN1986PLC012840
BSE Code	: 532498
NSE Symbol	: SHRIRAMCIT
Bloomberg Code	: SCUF.IN
Dividend Declared and Paid	: Interim dividend of ₹ 10 and ₹ 27 per share declared and paid on November 24, 2021 and March 25, 2022 respectively.
AGM Date	: July 22, 2022
AGM Mode	: Video Conferencing (VC) and Other Audio Visual Means (OAVM)

Please find our online version at

https://www.shriramcity.in/index.aspx

Or simply scan to download:

Disclaimer: This document contains statements about expected future events and financials of Shriram City Union Finance Limited, which are 'forward-looking'. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

At Shriram City Union Finance Limited (SCUF), we have always believed in creating a deep impact by adapting and innovating. For us, it is a paramount to stay relevant and ahead.

With our constant attention on the emerging market trends, we understand customer needs clearly, which enables us to serve them effectively. We understand the need to strengthen our relevance to customers and support their evolving needs, especially in an increasingly challenging economic environment.

Our response to the Covid-19-led pandemic has been persistent. We took it as an opportunity to widen and intensify our reach and to build a more resilient organisation, supported by customers, partners, staff and communities. We are committed to delivering the highest standards, and enhancing it's effectiveness to benefit our customers. Our presence across the underserved segment further bridges the financial needs of the customers and cultivates greater value for them.

₹6,530.39 crores
Total Income

26.78%
Capital Adequacy Ratio (CAR)

12.74%
Net Interest Margin (NIM)

₹1,461.24 crores
Profit Before Tax (PBT)

20.81%
Yield

3.30%
Net Non-performing Assets (NPA)

₹3,997.87 crores
Net Interest Income (NII)

7.48%
Pre-provision Profits

₹33,185.76 crores
Asset Under Management (AUM)

CREATING **IMPACT**

SCUF is purposeful, customer-centric organisation, led by value propositions and committed to delivering and innovating financial solutions for higher industry relevance.

Established in 1986 as the NBFC-arm, SCUF has made significant strides in the retail financing space with offer of multiple loan products i.e. loan against gold and jewellery, business loans, personal loans, loans against two-wheelers. Our Company enjoys a pan-India presence through its offices/branches. It has further built a resilient business model that is supported by state-of-the-art technology, robust governance model and talented team.

Vision

Serving the underserved. Creating value at the bottom of the pyramid.

Mission

Striving to serve the largest number of common people through quality non-banking financial services.

Values

- People first
- Nurturing talent
- Empowerment
- Transparency
- Sense of belonging

BRANCH **NETWORK**

2020-21

- South 67%
- West 21%
- North 12%

2021-22

- South 67%
- West 18%
- North 15%

AUM

2020-21

- South ₹ 17,125 crores
- West ₹ 9,484 crores
- North ₹ 2,962 crores

2021-22

- South ₹ 19,105 crores
- West ₹ 9,426 crores
- North ₹ 4,655 crores

CREDIT **RATINGS**

Long-term

- CARE Ratings: AA/(CWP)
- India Ratings & Research: AA/Positive
- ICRA: AA Rating placed on watch with positive implications
- CRISIL: AA/Watch Positive

Long-term Principle Protected Market-Linked Debentures

- CARE Ratings: PP-MLD AAemr/Positive
- CRISIL: PP-MLD (ICRA) AA Rating placed on watch with positive implications

FDs

- CARE Ratings: AA (FD) (CWP)
- ICRA: MAA+ (Stable)

Short-term

- CARE Ratings: A1+
- ICRA: A1+
- CRISIL: A1+

Bank Loan Ratings

- CARE Ratings: AA/Positive

OUR VALUE **PROPOSITIONS**

- Strong parentage and established track record
- Prominently serving the underserved retail loan segment
- Diversified across segments and asset classes
- Adequate capitalisation, strong profitability, and balanced liquidity
- Robust technological infrastructure and digitised processes
- Competent and enthusiastic workforce

CONSISTENT **VALUE CREATION**

₹26,140 crores
Loan Disbursements
in 2021-22

60
New Branches
in 2021-22

₹45.55 Lakh
Active Customer Base
as on March 31, 2022

27,997
Employee Base
as on March 31, 2022

Towards Greater Impact
RETAINING PERSONAL TOUCH IN DIGITAL TRANSFORMATION

The Financial industry's operating environment is undergoing changes, driven by digital transformation in the BFSI sector and the need for resilient customer service caused by the pandemic.

The acceleration in the adoption of digital processes will bring about a long-term shift in expectation of the customer. Customers value personal touch and want to be served as individuals, especially when they are making important financial decisions, such as owning their first home or a vehicle. They want to do it right in the first attempt, while also keeping their data secured at the same time.

At SCUF, retaining the brand's competitive edge is one of our priorities. We differentiate our services by incorporating the sense of personal touch by smartly integrating technology within our offerings. The digital transformation leads to a multi fold change in our interactions with customers, making it more meaningful and customised. Further, the digital framework allows the Company to de-risk portfolios and enhance credit churn through automated assessment, helping us in maintaining liquidity position on one hand, and lower NPAs on the other.

Some of the key digital upgradations and initiatives include:

Work from Home (WFH) Infrastructure infrastructure

Our VDI (Virtual Desktop Interface) platform which was already in place, enabled us to prove our agility for fast adoption of WFH. We have categorised employee workforce based on their work profile and provided with end-user terminals such as Llaptops, thin clients, Desktop PCS, among others. Also, we have provided internet connectivity for ensuring uninterrupted operations despite work-from-home. VDI ensures flexibility, manageablilty and accessibility in a secured environment.

Reduction in Physical Servers

We reduced the number of physical servers through Server Virtualisation solution.

Quicker Payment and KYC Check

We integrated Bharat Bill Payment System and UPI facility, partnering with leading banks and payment aggregators. Digital document uploading facility enabled for customers for a hassle-free KYC and quick turnaround.

Key IT Features and Benefits

Robust business ERP application

Seamless execution of processes between various business verticals, such as treasury, retail loans, general accounting and deposits.

Green IT

Unitising investments optimally to leverage cutting-edge technologies like server/desktop virtualisation and power-efficient hardware components. SMS and digital acknowledgment being sent to customers in lieu of physical receipt.

Mobile/TAB technology

Hassle-free process of lead management for loan disbursement.

Mobile application

Enables customers to avail loan products from the convenience of their homes or offices.

Towards Greater Impact
ENHANCING POTENTIAL THROUGH SYNERGIES

AT SCUF, we are simplifying our processes to leverage on the opportunity for strengthening our product offerings.

As a part of the restructuring exercise of the Shriram Group, the Company's Board of Directors, in its meeting held on December 13, 2021, approved the Composite Scheme of Amalgamation and Arrangement (Scheme) between Shrilekha Business Consultancy Private Limited, Shriram Financial Ventures (Chennai) Private Limited, Shriram Capital Limited, Shriram Transport Finance Company Limited and Shriram City Union Finance Limited, Shriram LI Holdings Private Limited, Shriram GI Holdings Private Limited, Shriram Investment Holdings Limited, their respective shareholders under sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013. The amalgamated entity will synergise the strength of all the entities getting amalgamated.

The synergic benefits:

- To simplify the holding structures and layers in the Group of companies forming part of the Scheme
- To focus on evolving business strategies with a specialised approach needed for a particular line of business than in a conglomerated entity having multiple businesses
- To facilitate further investment opportunities from strategic investors/ financial investors depending on the particular business interests and risk appetite
- To achieve restructuring for shareholders of the various companies, in a manner which will unlock value for them
- The proposed scheme is expected to bring in intangible benefits that the Shriram Group has generated over decades, while at the same time enhancing the scale of operations and enabling better attention and focus to be given in an integrated manner to all the businesses so as to enable achievement of their full potential
- To attract investment opportunities from strategic investors/financial investors who have varied business interests and risk perceptions
- To achieve the objective of expanding the business of mutual fund, wealth management, among others., which has tremendous potential, taking advantage of the popularity of the Shriram brand and the extensive retail network available
- Assist the Shriram Group in building a holistic digital strategy to cater to the customer needs of the entities in Shriram Group conglomerate and chalk out a digital transformation roadmap

Post-merger Statistics

₹1.5 trillion
AUMs

₹ 20 million+
Customer Base

3,500 +
Distribution Network

50,000 +
Team Strength

Towards Greater Impact
KEY PERFORMANCE INDICATORS

AUMs (₹ in crores)

Disbursements (₹ in crores)

Total Income (₹ in crores)

Net Interest Income (₹ in crores)

PAT

(₹ in crores)

Earnings Per Share

(₹)

Capital Adequacy Ratio Tier-I

(%)

Corporate **INFORMATION**

BOARD OF DIRECTORS

Sri Debendranath Sarangi

Chairperson, Non-Executive, Independent

Sri YS Chakravarti

Managing Director and Chief Executive Officer, Executive, Non-Independent

Sri Diwakar B Gandhi

Director, Non-Executive, Independent

Sri Duruvasan Ramachandra

Director, Non-Executive, Non Independent

Sri Ignatius Michael Viljoen

Director, Non Executive ,Non Independent

Smt Maya S Sinha

Director, Non-Executive, Independent

Sri Pranab Prakash Pattanayak *

Director, Non-Executive, Independent

Sri Shashank Singh

Director, Non-Executive, Non-Independent

Sri Umesh G Revankar

Additional Director, Non-Executive, Non- Independent

Sri Venkataraman Murali

Director, Non-Executive, Independent

**Ceased to be a director with effect from January 5, 2022*

CHIEF FINANCIAL OFFICER

Sri Ramasubramanian Chandrasekar

COMPANY SECRETARY

Sri C R Dash

AUDITORS

M/s R Subramanian and Company LLP
Chartered Accountants
6, Krishnaswamy Avenue, Luz, Mylapore, Chennai 600 004

M/S Abarna & Ananthan
Chartered Accountants
NO 521, 3rd Main, 6th Block, 2nd Phase, BSK 3rd Stage, Bengaluru - 560 085

LISTED AT

BSE Limited
NSE Limited

REGISTERED OFFICE

123, Angappa Naicken Street, Chennai - 600 001
Phone No.: + 91 44 2534 1431

SECRETARIAL OFFICE

No.144, Santhome High Road, Mylapore, Chennai 600 004
Phone No.: + 91 44 43925300
Fax No.: + 91 44 43925430

SHARE TRANSFER AGENTS

Integrated Registry Management Services Pvt Ltd
2nd Floor, Kences Towers No.: 1, Ramakrishna Street, Off North Usman Road, T. Nagar
Chennai 600 017

Phone No.: + 91 44 2814 0801–03

DEBENTURE TRUSTEES

IDBI Trusteeship Services Ltd
Asian Building, Ground Floor
17, R Kamani Marg, Ballard Estate
Mumbai 400 001

Catalyst Trusteeship Ltd
GDA House, First Floor
Plot No 85, Bhusari Colony (Right)
Paud Road, Pune 411 038

BANK

1 Axis Bank Ltd.
2 Bank Of Baroda
3 Bank Of India
4 Bank Of Maharashtra
5 Barclays Bank PLC
6 Canara Bank
7 Citibank N.A., India
8 CSB Bank
9 DBS Bank India Ltd.
10 DCB Bank
11 Equitas Small Finance Bank
12 Federal Bank
13 HDFC Bank Ltd.
14 HSBC India
15 ICICI Bank Ltd.
16 Indian Bank
17 Indian Overseas Bank
18 IndusInd Bank Ltd.
19 Karnataka Bank Ltd.
20 Karur Vysya Bank Ltd.
21 Kotak Mahindra Bank Ltd.
22 Punjab National Bank
23 RBL Bank Ltd.
24 Standard Chartered Bank PLC
25 State Bank Of India
26 SBM Bank (India) Ltd.
27 South Indian Bank Ltd.
28 Ujjivan Small Finance Bank Ltd.
29 Union Bank Of India
30 Woori Bank
31 YES Bank

INSTITUTION

1 Bajaj Finance Ltd
2 Citicorp Finance (India) Ltd.
3 National Bank for Agriculture and Rural Development
4 SIDBI
5 Tata Capital Financial Services Ltd.

Report of the Board of Directors

To,

The Members of Shriram City Union Finance Limited

Dear Members,

The Board of Directors ("Board") is pleased to present this Report with the audited standalone as well as consolidated financial statements of the Company for the financial year ended March 31, 2022 ("2021-22"). The consolidated financial statements presented pursuant to section 129 (3) of the Companies Act 2013 ("Act") and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"). The report on corporate governance, management discussion and analysis and other annexures referred to form a part of this Report.

1. RESULTS OF OPERATION

The summary of standalone and consolidated financial performance of the Company for 2021-22 is as under. The details of financials are provided in the annual financial statements.

₹ in Lakhs

Particulars	Standalone		Consolidated	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Total Income	6,53,039.23	5,73,843.47	7,07,749.10	6,16,188.06
Finance Charges	2,53,252.52	2,13,388.43	2,81,312.56	2,34,105.03
Depreciation	7,835.49	7,984.14	8,622.51	8,712.46
Total Other Expenses	2,45,826.85	2,13,532.15	2,60,954.20	2,25,569.39
Profit before tax ("PBT")	**1,46,124.37**	**1,38,938.75**	**1,56,859.83**	**1,47,801.18**
Total Tax expenses	37,504.87	37,844.33	40,385.16	40,029.64
Profit after Taxation ("PAT")	**1,08,619.50**	**1,01,094.42**	**1,16,474.67**	**1,07,771.54**
Paid up equity share capital (Face value of ₹ 10/- per share)	6,662.80	6,600.50	6,662.80	6,600.50
Earning per equity share (Face value of ₹ 10/- each)				
(i) Basic	164.16	153.16	174.07	161.13
(ii) Diluted	163.17	152.81	173.02	160.76
Appropriations/Transfers:				
Profit / Retained Earnings balance available for appropriation	4,66,285.25	4,01,606.68	4,86,288.03	4,16,019.16
General reserve	(10,880.00)	(10,250.00)	(10,880.00)	(10,250.00)
Statutory reserve	(21,760.00)	(20,490.00)	(23,132.01)	(21,458.72)

The above mentioned appropriations/transfers to different reserves in 2021-22 were proposed and approved by the Board at the meeting held on April 29, 2022 in compliance with the requirements of regulations of Reserve Bank of India ("RBI") and the Act. The Company being an NBFC registered with the RBI, is exempted from providing details for loans made, guarantee given or security provided in ordinary course of business as required under Section 186 of the Act. Thus, such details are not mentioned here. Loans, guarantees and investments form a part of the Annual Financial Statements provided in this Annual Report.

Report of the Board of Directors (Contd.)

2. DIVIDEND

The Company follows its Dividend Distribution Policy enclosed as Annexure - 13 and displayed on the website of the Company (refer Table 1) for recommendation, declaration and payment of dividend. . The Board at its meeting held on April 29, 2022 had not considered recommendation of final dividend. The table below shows the details of dividend for 2020-21 and 2021-22.

Dividend on equity shares of ₹ 10 each	No of Shares	Per share (₹)	Dividend Payout Ratio	Dividend Pay out (₹ in crores)	Date of payment
Interim (2021-22)	6,61,58,139	10.00		66.15	November 24, 2021
2nd Interim (2021-22)	6,66,01,785	27.00		179.82	March 25, 2022
Total		**37.00**	**22.65%**		
Interim (2020-21)	6,60,04,322	10.00		66.00	November 27, 2020
2nd Interim (2020-21)	6,60,05,022	10.00		66.00	April 19, 2021
Final (2020-21)	6,60,05,022	13.00		85.80	August 21, 2021
Total		**33.00**	**21.55%**		

Dividend payout is subject to applicable deduction of tax at source. No of shares indicate the numbers of shares existed on respective record date for payment of dividend. There were no delay in payment of dividend/interim dividend during 2021-22. The interim dividends declared shall be the dividend for the year.

3. CONTRACT OR ARRANGEMENT WITH RELATED PARTY AND ANNUAL RETURN

The Company has formulated an approved policy on Related Party Transactions ("RPT"), which is displayed on the web site of the Company (refer Table-1) which complies with regulations of RBI, the Act and LODR. There were RPTs during 2021-22. All the transactions during 2021-22 with related parties referred to in Section 188 of the Act, were on arm's length basis in ordinary course of business with requisite approval of the Audit and Risk Management Committee ("ARMC"). The details of RPTs as required under Regulation 34(3) and 53(f) of the LODR appear in note no 42 of the notes to financial statements. During 2021-22, the ARMC, approved the RPTs requiring it's approval. The details of RPTs were filed with both BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on half yearly basis during 2021-22. There were no material RPTs during 2021-22 with promoters, directors, key managerial personnel or other designated persons in potential conflict with the interest of the Company at large and these information were filed with both BSE and NSE on quarterly basis on or before respective due dates during 2021-22. The details of Annual Return in prescribed form MGT - 7 as required under Section 92 (3) and 134 (3) of the Act is displayed on the web site of the Company (refer Table -1)

4. STATE OF AFFAIRS

The Company lends money to its customers through its different product offerings and accepts/renews deposits being a deposit taking Non-Banking Finance Company ("NBFC") registered with the RBI. The Company has multiple product offering i.e. Enterprise Finance/MSME Finance, Two wheeler loans, Loan against Gold, Auto Finance, Personal loans. The Company continued acceptance and renewal of deposits from public and lending to its customers as mentioned above with no change in business during 2021-22. The business of the Company includes sourcing borrowers, understanding their loan requirement, providing them appropriate finance, documentation of loans and receipt/recovery of loan dues from borrowers. The Company is present all over India through its business outlets concentrated in semi-urban and rural areas. Our customer centric approach continues to bring us more number of customers resulting in higher business. 19.23 Lakhs number of customers were added during 2021-22. Total number of customers and total number of branches/ business outlets were 45.55 Lakhs and 986 respectively as on March 31, 2022.

Total disbursements of loans under different products were ₹ 26,14,032.32 Lakhs during 2021-22 (2020-21 : ₹ 17,15,392.97 Lakhs). Income from operations in 2021-22 grew up by 13.89% to ₹ 6,52,675.60 Lakhs (2020 -21 : ₹ 5,73,069.65 Lakhs) and profit before tax was ₹ 1,46,124.37 Lakhs 2021-22 (2020 -21 : ₹ 1,38,938.75 Lakhs). As at March 31, 2022 the total assets under management stood at ₹ 33,18,576.13 Lakhs (March 31, 2021: ₹ 29,57,086.39 Lakhs).

Report of the Board of Directors (Contd.)

During 2021-22, the total consolidated disbursements of loans under different products were ₹ 28,87,900.36 Lakhs (2020-21 : ₹ 19,34,885.56 Lakhs). Consolidated Income from operations in 2021-22 grew by 14.99% to ₹ 7,07,297.38 Lakhs (2020 -21 : ₹ 6,15,097.69 Lakhs) and profit before tax was ₹ 1,56,859.83 Lakhs in 2021-22 (2020 -21 : ₹ 1,47,801.18 Lakhs). As at March 31, 2022 the consolidated assets under management was at ₹ 38,54,077.38 Lakhs (March 31, 2021 : ₹ 33,50,031.08 Lakhs).

For lending and for other purposes ,the Company needs financial resources ,which are met by borrowing money from banks/institutions, individuals and others through public issue/private placement of non-convertible debentures ("NCDs"), acceptance/renewal of fixed deposits, issue of commercial papers, cash credit/working capital loans and other loans. The summary of borrowings by the Company is as under.

₹ in Lakhs

Year ended March 31,	Deposits	Privately placed NCDs	Public issue of NCDs	Term loans	Others	Total
2022	6,82,838.64	6,12,611.69	38,902.41	12,60,240.96	4,68,587.86	**30,63,181.56**
2021	5,52,888.78	3,39,438.79	86,924.21	10,26,457.11	5,50,822.03	**25,56,530.92**

Balance outstanding on cash credit as on March 31, 2022 was ₹ 22,992.47 Lakhs (March 31, 2021 : ₹ 35,847.57 Lakhs), Working capital demand loans as on March 31, 2022 was ₹ 2,35,581.76 Lakhs (March 31, 2021 : ₹ 1,76,515.34 Lakhs) and Securitisation linked Term Loan as on March 31, 2022 was ₹ 2,10,013.63 Lakhs (March 31, 2021 : ₹ 3,38,459.12 Lakhs)

The Company serviced all its financial obligations including payment/repayments/redemption of different loans /financial instruments (principal and interest) on their respective due dates during 2021-22. The deposits and debentures issued/allotted in non-dematerialised form were redeemed on submission of the claim with documents. 3,893 number of deposits amounting to ₹ 6,616.72 Lakhs were outstanding to be claimed or renewed on maturity as at March 31, 2022. Subsequent follow-up by the Company for repayments/renewals brought it to 2,228 number of deposits amounting to ₹ 3,232.60 Lakhs on the date of this report. There were no deposits which had matured and claimed, but were not paid by the Company. The Company takes steps to arrange for repayment/renewal of these unclaimed deposits.

The Company is required to be rated by any of the rating agencies in India for its different kinds of borrowings. Such ratings were undertaken and the ratings obtained are mentioned in notes to financial statements.

There are no significant and material orders passed by the regulators or courts or tribunals impacting going concern status and Company's operation in future. For other orders, please refer to the notes to accounts on contingent liabilities and report of the auditors. There were no material changes and commitments, affecting the financial position of the Company which occurred between March 31, 2022 being the end of the financial year of the Company and the date of this report The impact of pandemic has been dealt with in the Management Discussion and Analysis annexed to this report as Annexure - 3.

Frauds amounting to ₹ 0.7 Lakhs detected during 2021-22 are reported in notes to financial statements and the same were reported to RBI as required. The status of frauds detected are reported in notes to financial statements. The ARMC and the Board had discussed about the status of the frauds committed and existing. The Company has formulated whistle blower and vigil mechanism policy for, in addition to other matters, bringing frauds to light by the whistle blowers.

The Company, in the capacity of Financial Creditor, has not filed any applications with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the financial year 2021-22 for recovery of outstanding loans against any customer being Corporate Debtor. Thus, the difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

Report of the Board of Directors (Contd.)

5. SCHEME OF AMALGAMATION

The Board and the required Committees of the Board approved in their respective meetings held on December 13, 2021, the Composite Scheme of Amalgamation and Arrangement under Sections 230 to 232, read with Regulation 52 and other applicable provisions of the Act for : (i) the amalgamation of Shrilekha Business Consultancy Private Limited ("SBCPL") with Shriram Capital Limited ("SCL"); (ii) the demerger of that undertaking from SCL, which is carrying on the business of Financial Services, and the transfer and vesting thereof into Shriram Investment Holdings Limited ("SIHL"); (iii) the demerger of those undertakings from SCL, which are carrying on the businesses of a) Life Insurance and b) General Insurance, and the transfer and vesting of the same into a) Shriram LI Holdings Private Limited ("SLIH"), and b) Shriram GI Holdings Private Limited ("SGIH") respectively; (iv) the amalgamation of SCL (with its remaining undertaking and investments) with Shriram Transport Finance Company Limited ("STFC"); and (v) the amalgamation of Shriram City Union Finance Limited ("SCUF") with STFC (referred to as "Scheme"). The application for approval of Scheme was made to both BSE and NSE and the No Objection letter to the Scheme was received from BSE and NSE on March 15, 2022 and March 16, 2022 respectively. The Company filed application with Honourable National Company Law Tribunal, Chennai Bench ("NCLT") for the purpose. The updates on this subject will be posted on our website.

6. CAPITAL, LISTING AND IEPF

As on March 31, 2022 ,the paid up capital was ₹ 6,662.80 Lakhs with an increase of ₹ 62.30 Lakhs during 2021-22 due to allotment of 622,994 (2020-21 : 2,100) shares on exercise of options under Employees Stock Options Scheme ("ESOS") 2013 by the eligible employees. The disclosures required under SEBI Regulations on ESOP as on March 31, 2022 are set out in Annexure - 7 to this report. The Company has received the certificate as attached in Annexure - 8 from the auditors of the Company certifying that the ESOP Scheme is implemented in accordance with the SEBI Guidelines and in accordance with the resolution passed by the members. No equity shares other than equity shares under ESOS were issued to employees of the Company and there was no buy back of its shares by the Company during 2021-22

In compliance with Section 124 (5) of the Act, the Company transfers the dividend that has remained unclaimed for a period of seven years from the date of its transfer to unpaid dividend account to Investor Education and Protection Fund ("IEPF"). An amount of ₹ Lakhs (2020-21: ₹ 86 Lakhs) is lying in unpaid equity dividend account of the Company. The unpaid dividends till March 31, 2015 were transferred to IEPF. The Company as provided under Section 124(6) of the Act, transferred all shares in respect of which unclaimed dividends were transferred to IEPF during 2021-22. In compliance with section 125 (2) of the Act, matured deposits, matured debentures and interest accrued on these that had remained unclaimed/unpaid for a period of seven years from the date it became due for payment were transferred to IEPF during 2021-22 as mentioned below.

₹ in crores

Year	Dividend	Deposits	Debentures	Equity shares in nos.
2021-22	0.110	0.092	1.541	3,802
2020-21	0.109	0.00	1.480	2,427

The Company has displayed the details of unpaid dividend on its web site (refer table no-1). The Company also posted individual letters to the last known address of the shareholder on June 4, 2021 and September 6, 2021 and advertised in newspapers on June 5, 2021 and September 8, 2021 respectively. There will be no claim lie on the Company on account of dividend, debentures and deposits which were transferred to IEPF. However the investors can claim it from IEPF Authority by following the required process.

The unclaimed equity shares existing in physical form available with the Company/RTA, are dematerialised at the time of transfer to IEPF Authorities as required under Regulation 34 of the LODR.

As required under Schedule V of LODR, the Company has opened equity share suspense Account with NSDL titled as "SCUF - Unclaimed Securities Suspense Account" for the purpose of transferring unclaimed equity shares held in physical form. The Company will transfer after due verification the shares lying in the said suspense account to the eligible shareholders on request for such transfer is received. As on March 31, 2022 there were 475 (As on March 31, 2021 : 475) number of unclaimed equity shares in the said SCUF - Unclaimed Securities Suspense Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Report of the Board of Directors (Contd.)

S. No	Particulars	No of equity share holders	No of unclaimed equity shares
1	Unclaimed equity shares as on April 1, 2021	8	475
2	Shares claimed by shareholders during the Year	-	-
3	Transfer of unclaimed equity shares to IEPF during the Year as per IEPF Rules	-	-
4	Unclaimed equity shares as on March 31, 2022	8	475

The voting rights for the above said unclaimed equity shares shall remain frozen till the shares are claimed by /transferred to the concerned share holders. No equity share was issued with differential rights to voting, dividend or otherwise.

The listing fees to BSE and NSE for 2021-22 were paid on time. The shares of the Company continue to be listed on BSE and NSE.

7. HUMAN RESOURCE

We highly appreciate the efforts of our employees at all levels for their stellar performance year after year. The Company provides necessary training for re-skilling and for enhancing skills of our employees. In addition, different motivational measures are taken in order to keep our employees highly motivated. We emphasise on localisation of our workforce and encourage executive growth up the organisational ladder within respective geographies. The relation between the Company and its employees have always been based on mutual respect, openness, honesty, co-operation and trust. The Company has formulated a policy on Prevention of Sexual Harassment of women employees in the work place. The Company has also constituted and Internal Complaints Committee as required under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints received during 2021-22. The total employee strength of the Company as on March 31, 2022 was 27997 with 11377 employees added during the Year. As required under Section 197(12) of the Act read with Rule - 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the information on remuneration is given in table 2.1 of the Corporate Governance Report and other details are attached as Annexure – 1 to this Report.

8. SUBSIDIARY AND CONSOLIDATED FINANCIAL STATEMENTS

M/s Shriram Housing Finance Limited CIN - U65929TN2010PLC078004) ("SHFL") is the only subsidiary of the Company. SHFL is an unlisted subsidiary with 85.02% holding by the Company in the equity of SHFL. The Company subscribed to the rights issue of SHFL with 11,11,11,112 number of equity shares of face value of ₹ 10 each priced at ₹ 45/- per share (including premium of ₹ 35/- per share) aggregating to ₹ 5,00,00,00,040/- during 2021-22. The Company does not have any other material listed/ unlisted subsidiary Company as defined in Regulation 24 (1) of LODR. SHFL is a housing finance company registered under National Housing Bank ("NHB") and regulated by Reserve Bank of India (Registration Number- 08.0094.11) with registered office at Chennai. There was no entity which became or ceased to become subsidiary during 2021-22. The entities shown in the Notes to Accounts under Related party disclosures as Associates are treated as "associates" as per IND AS 24. The equity shares of SHFL are not listed on any stock exchange, but has debt securities listed on BSE. SHFL follows April to March as the financial year. SHFL mainly provides housing loans to self-employed and salaried class in the lower and middle income category mostly in Tier 2 and Tier 3 locations in India with 103 branches. SHFL has 22,963 customers with loans in its portfolio as on March 31, 2022. The total employee strength of SHFL as on March 31, 2022 was 778. The Policy on Material Subsidiary(ies) of the Company is displayed on the web site of the Company (Refer Table 1 for the link).

SHFL also provides loans against property and loans for housing projects. The CAGR of loan disbursement of SHFL over last five years was around 23% with total disbursement during the year being ₹ 2,73,868.04 Lakhs. The total borrowings of SHFL as on March 31, 2022 was ₹ 3,89,667 Lakhs, out of which ₹ 53,329 Lakhs was by way of NCDs and the balance amount was borrowings from Banks, National Housing Bank, Financial Institutions and securitisation through banks & financial institutions.

Report of the Board of Directors (Contd.)

As prescribed under section 129(3) of the Act, the Consolidated financial statements of the Company for 2021-22 were prepared in accordance with provisions of the Act and LODR, which were audited by the statutory auditors of the Company. The consolidated financial statements along with the report of the auditors of the Company thereon are attached to this Report. Statement containing salient features of the financial statements for 2020-21 in form AOC- 1 is enclosed to the financial statements of the Company.

The annual accounts, annual reports and the related detailed information on SHFL shall be made available to the shareholders of the Company and to the shareholders of SHFL seeking such information at any point of time. In accordance with Section 136 of the Act, audited annual financial statements, consolidated financial statements and related information of the Company and the audited financial statements of SHFL are displayed on the Company's web site (Refer Table -1) and the same shall be kept at the respective Registered Office of the Company and SHFL for inspection by any shareholder during business hours. Shriram Capital Limited and SHFL continued as promoter and subsidiary of the Company respectively.

9. RESERVE BANK OF INDIA DIRECTIONS/ GUIDELINES

Being a deposit accepting NBFC registered with the RBI, the Company is regulated by the applicable regulations of the RBI. The Company continues to comply with all applicable regulations of RBI. The Company has formulated different policies and appointed different officials in the Company as required under the regulations of the RBI. The details of registration with RBI appear on note no - 1 to notes to the financial statements. The Board confirms that the Company followed the corporate governance standards prescribed by the RBI. The note nos 43, 46 to 74 and 95 to 96 and other notes of the notes to financial statements contain the information required to be reported under the regulations of the RBI. The Company accepts/ renews deposits as per regulations of RBI. Being an NBFC regulated by the RBI the disclosure required under the Act with respect to deposits does not apply to the Company The followings are the indicators of acceptance of deposits.

Description	March 31	
	2022	2021
Capital Adequacy and Reserve Ratio ("CRAR")*	26.78%	28.64%
Net owned funds (₹ in Lakhs)	8,27,252.84	7,30,641.50
Statutory Liquidity Ratio in (₹ in Lakhs)	18.44%	19.35%
Deposits (₹ in Lakhs) including maturity payable	6,89,455.36	5,59,045.60

* The RBI prescribes the maintenance of CRAR 15 percent and above.

Our principal source of liquidity are cash, cash equivalent, balances in accounts with banks current/liquid investments ,undrawn sanctioned limits from banks/institutions and cash flow from operations. We maintain sufficient cash to meet strategic and operational needs. We understand that the liquidity in the Balance sheet need to balances between return and risk. We believe that our working capital is adequate to meet our current requirements.

10. CORPORATE GOVERNANCE

The Company follows the corporate governance practices and standards prescribed under LODR, regulations of RBI, the Act and other regulations. Report on corporate governance as required under Regulation 34(3) of LODR together with a certificate for the purpose from the auditors of the Company confirming the compliance with the corporate governance is attached to this Report (Annexure - 2). As required under Regulation 34(2)(e) and 34(3) of LODR, the Management Discussion and Analysis on the business of the Company is enclosed as Annexure – 3. As required under Regulation 17 (8) of the LODR, a compliance certificate, duly signed by the Managing Director & Chief Executive Officer and Chief Financial Officer on the financial statements of the Company for 2021-22, was submitted to the Board at their meeting held on April 29, 2022 (Annexure - 4). The relevant provisions of the voluntary guidelines are adopted in the areas deemed appropriate.

11. BUSINESS RESPONSIBILITY REPORT ("BRR")

Regulation 34(2)(f) of the LODR requires top 500 listed entities based on market capitalisation as on March 31, 2021 to include BRR as a part of the Annual Report. The Company being one such entity, has included BRR in this Annual Report (Annexure - 14).

Report of the Board of Directors (Contd.)

12. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company constituted a CSR Committee consisting of three Directors including two independent directors as required under Section 135 of the Act. The details of the CSR Committee appear on the Annual Report on CSR. Annual Report on CSR activities as required under Rule 9 of the Companies CSR Policy Rules, 2014 of the Act is attached to this report as Annexure – 10. The CSR policy of the Company as recommended by the CSR Committee, was reviewed and approved by the Board and is displayed on the website of the Company (refer table 1). The CSR policy contains the areas of activities of CSR and other detail as required under Section 134 (3) (o) of the Act. During 2021-22, the Company undertook CSR Projects on health, education, skill development through implementing Agent. The spend on CSR amounting to ₹ 3,167.57 Lakhs (2020-21: ₹ 2,195.23 Lakhs) during 2020-21 were approved by the Board of the Company as recommended by the CSR Committee The Board affirms that the CSR activities are implemented in accordance with CSR Policy of the Company.

13. BOARD AND COMMITTEES

During 2021-22, the Company had optimum number of Directors with mix of Independent and Non Independent. Board met 6 times during 2021-22. During 2021-22, the meetings of the Board and Committees were held virtually through video conferencing at Chennai to adhere to social distancing norms. The interval between two meetings did not exceed 120 days. Members of the Board possess requisite knowledge and experience to steer the Company. The brief profile of each director appear on the website of the Company (Refer Table 1). The Company is immensely benefitted from the guidance, support and advice of the members of the Board. The Board consists of directors possessing diverse knowledge, skill and experience to enhance quality of its performance. The independent directors have requisite qualification and experience to act as a Director on the Board. Details of meetings of the Board and committees held during 2021-22 and the details of appointment, induction, training, retirement and resignation of Directors/KMPs during 2021-22 are mentioned in the Corporate Governance report (Annexure – 1). The Company complied with Secretarial Standards issued by the Institute of Company Secretaries of India. The Board has Audit and Risk Management Committee ("ARMC") and Nomination and Remuneration Committee ("NRC") as specified under Section 177 and 178 of the Act respectively. The Company received necessary declaration from each independent director about his/her meeting the criteria of independence as laid down under Section 149 (7) and 134(3) (d) of the Act and Regulation 16(b) of the LODR. A statement by the Managing Director confirming receipt of this declaration from each independent director of the Company is attached as Annexure - 11. There is no change in the circumstances affecting their status as Independent Directors of the Company. The Company received required deed of covenant initially at the time of appointment and declaration during 2021-22 from the Directors as required under regulations of RBI. The Board on the recommendation of NRC has formulated a policy for selection, appointment and remuneration of directors, senior management personnel as required under Section 178 (3) and 134 (3) (e) of the Act, the details of which appear in the Annexure – 13 and the same is displayed on the web site of the Company (refer table 1). This Policy states the diversity of the Board has laid down a framework for remuneration of Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. As required under section 134(3)(p) of the Act and the LODR, annual performances evaluation of Board, the Committees, Chairman of the Board and individual directors were carried out during 2021-22 based on the criteria and frame work adopted by the Board consisting of participation, attendance, duties, obligations, contribution for effectiveness and related matters of Board/Committee. The outcome of such evaluation done during 2021-22 was discussed by the NRC/Board and both found it satisfactory. The Independent Directors expressed satisfaction over the performance and effectiveness of the Board, individual Non-Independent Directors and the Chairman. The Independent Directors played active role in the meetings of Committees including Audit and Risk Management Committee ("ARMC").ARMC held separate meetings to discuss related party transactions and to review policies of the Company. The ARMC also had separate meetings with Statutory Auditors, Internal Auditors and participated in the meeting with Rating Agencies separately. Each Director has given his/her declaration to the Company for not holding any shares in the Company and having no relation inter se with any Director. Independent Directors attend familiarisation programme on joining the Board and annually, the details of which is displayed on the web site (refer table 1). Sri Umesh

Report of the Board of Directors (Contd.)

Govind Revankar (DIN - 00141189) was appointed as the additional director with effect from December 14, 2021 holding office upto the conclusion of 36th AGM and he has expressed his intention and confirmed his eligibility to act as a Director of the Company, if appointed. As per provisions of the Act and Articles of Association of the Company, Sri Ignatius Michael Viljoen (DIN – 08452443) will retire by rotation and being eligible, has sought for re-appointment at the ensuing AGM. He has expressed his intention and confirmed his eligibility to continue as Director of the Company if appointed at the ensuing AGM. In compliance with requirements under section 149(7) of the Act and Regulation 16(1) of the LODR the Board has received the declaration from all the Independent Directors about their independence and the Board is satisfied about it. During 2021-22, there was no change (appointment/resignation) in the Key Managerial Personnel namely, Managing Director, Chief Financial Officer and Company Secretary of the Company.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements were prepared by following the provisions prescribed under Section 133 (3) [Indian Accounting Standard ("Ind AS")] and other applicable sections of the Act and relevant rules and the guidelines issued by the SEBI and the RBI . Pursuant to Sections 134 (3) (c) and 134 (5) of the Act with respect to Directors' responsibility statement, the Directors of the Company hereby confirm, in the preparation of annual accounts for 2021-22, that :

(i) the applicable accounting standards have been followed and proper explanations have been made in notes to accounts for material departures, if any;

(ii) the accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and statement of the profit and loss of the Company for the year ended on that date;

(iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis.

(v) internal financial controls to be followed were laid down, which were adequate and were operating effectively and

(vi) proper systems had been devised to ensure compliance with provisions of applicable laws, which were adequate and were operating effectively

15. AUDIT AND AUDITORS

Internal audits were conducted periodically during 2021-22 and the reports thereon were presented to ARMC on quarterly basis. The Internal Auditor is appointed by and is reporting to ARMC. In addition to others matters, internal audit consisted of independent and objective assessment to monitor adequacy, effectiveness and adherence to the internal controls, internal financial control, processes and procedures. Internal audit checked compliance with extant regulations. Internal audit conducted followed a Risk-based approach of Internal Audit (RBIA) by taking into account the RBI guidelines and established practices. The ARMC regularly reviewed the audit findings and the adequacy and effectiveness of the internal control measures. The Company has documented its internal financial controls considering the essential components of various processes, physical and operational. These include design, implementation and maintenance along with periodical internal review of effectiveness and sustenance commensuration with the nature of business and the size of operations of the Company. This ensures conducting business in orderly and efficiently by adhering to the Company's policies, safeguarding assets, preventing errors with accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The internal financial controls with reference to the financial statements were adequate and operating effectively.

The Company's organisation structure, policy, authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations .The policies are reviewed periodically and updated and systems are reviewed and upgraded. The internal financial control is supplemented by internal audits, regular reviews by management to ensure reliability of financial and other records to prepare financial statements and other data.

The Joint Statutory auditors of the Company, M/s R Subramanian & Company LLP, Chartered Accountants Firm Registration Number 004137S/ S200041 ("RS") and M/s Abarna & Ananthan, Chartered Accountants

Report of the Board of Directors (Contd.)

Firm Registration Number 000003S ("A&A") have submitted to the members of the Company the attached Independent Auditors Reports for 2021-22 on standalone financials and consolidated financials. Both the reports are unqualified, without any reservation or adverse remark or disclaimer and thus the Board does not have any explanation or comment. M/s SPNP & Associates, Company Secretaries (Certificate of Practice No : 3310 and Membership No : FCS F4862) in practice, Chennai ("SPNP") appointed by the Company as the secretarial auditors pursuant to Section 204 of the Act have conducted audit and have submitted their report as attached in Annexure - 15 to the Members, which is unqualified, without any reservation or adverse remark or disclaimer. Therefore, Board does not have any explanation or comment on such Secretarial Audit Report. Maintenance of Cost records and conducting of cost audits specified under section 148(1) of the Act are not applicable for the business activities carried out by the Company. During 2021-22, neither RS and A&A nor SPNP reported to ARM under Section 143(12) of the Act any instances of fraud committed by officers or employees of the Company. The Board appointed SPNP as secretarial auditor of the Company for 2022-23.

RS and A&A were appointed by the members as Joint Statutory auditors of the Company from Extraordinary General Meeting held on September 8, 2021 till conclusion of 36th AGM of the Company. M/s G D Apte & Co. ("GDA") had expressed their intention not to continue as the Statutory Auditors of the Company with effect from September 8, 2021 due to applicability of RBI circular no .DoS.CO.ARG/SEC 01/08.91.001/2021-22 dated April 27, 2021 which states that only joint audit by firms and auditors completed three years of tenor cannot continue as Auditors of the Company. GDA had completed fours years and could not continue as Auditors and resigned from their office vide letter dated July 29, 2021. RS and A&A have confirmed their eligibility and have communicated their willingness to continue as auditors. Necessary resolution, based on the recommendation of the ARMC and approval of the Board, to fix remuneration of RS and A&A as Joint Statutory Auditors is proposed at the ensuing AGM. The details of payment of Statutory Auditors fees appear in financial statements.

16. MANAGEMENT OF RISK

The risk management function of the Company help in identifying, analysing, assessing, mitigating, monitoring and governing risks. The Company has a risk management policy. A separate section in this report titled "Management Discussion and Analysis" discusses about risk and its mitigating factors and the matters required under Section 134 (n) of the Act. In the opinion of the Board, there is no risk existing to threaten the existence of the Company. Report on risk assessment is presented to ARM at its meeting by the Chief Risk Officer of the Company. The Board on the recommendation of the ARMC appointed Chief Risk Officer ("CRO") of the Company with requisite qualification and experience as mention in the regulations of the RBI. The CRO reports to ARMC.

17. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO

Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules 2014 specify the information to be furnished on conservation of energy, absorption of technology and foreign exchange earnings/outgo, which for the Year are furnished below.

The operations of the Company are not energy intensive. However, adequate measures for conservation of energy, usage of alternate sources of energy and investments for energy conservation, wherever required were taken. The Company did not absorbed any technology. There was foreign exchange earnings of ₹ 184.66 Lakhs (2020-21 : ₹ 190.28 Lakhs). The outgo of foreign exchange was Nil (2020-21 : ₹ 623.25 Lakhs)

18. ACKNOWLEDGEMENT

We thank our customers, share holders, investors, bankers, employees, trustees, vendors, auditors, deposit holders and debenture holders. The Board expresses its appreciation and gratitude for the guidance and cooperation extended to the Company by RBI, statutory authorities and regulators. The Board acknowledges the guidance of M/s RS and M/s A&A and M/s SPNP to the Company. The Board records the commitment and dedication of employees.

For and on behalf of the Board of Directors

Place : Chennai
Date : April 29, 2022

Debendranath Sarangi
Chairperson

Report on Corporate Governance

Annexure 1

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERANCE :

The philosophy of the Company on Corporate Governance aims at enhancing the stake holders' value by efficiently conducting business, meeting obligation to stake holders by being guided by the principles of transparency, accountability, compliance with regulations and integrity.

2. BOARD OF DIRECTORS

2.1 COMPOSITION AND APPOINTMENT

The Board of Directors of the Company ("Board") consists of Executive, Non-Executive, Independent and Non Independent Directors to ensure independent functioning of the Board. Out of nine as the total number of Directors as on March 31, 2022, four Directors, which is more than one third of the total number of members of the Board, are Independent with one Woman Independent Director. We feel that this is appropriate mix of executive, non executive and independent Directors to maintain independence and separate the functions of governance and management. The Independent Directors meet the criteria of independence specified in Regulation 16 (1) (b) and other applicable regulations of LODR and each Independent Director is independent of the management. The Independent Directors meet the criteria for appointment formulated by the Nomination and Remuneration Committee ("NRC") as approved by the Board. NRC has formulated a Policy on Appointment, Remuneration and Diversity of Board (Annexure – 13), which is displayed on the web site of the Company (Refer table 1) .This ensures diversity of qualification, skill, experience, expertise, gender and age of the Board. The appointment of Directors is made through a transparent process as specified in the policy. Directors appointed are issued with appointment letters. The format of such appointment letter is displayed on the web site of the Company (Refer table 1). The Board periodically evaluates the need for change in size and composition of the Board. Independent Directors were appointed for a fixed period of five years from the date of their respective appointments and their appointments were approved by the members in respective meetings. Non Independent Directors were appointed as per provisions of law. On appointment and during each year, each Independent Director is familiarised with the Company, business, industry, roles and responsibilities, the details of which are displayed on the website of the Company (Refer table 1). The chairperson presides over BMs and meetings of the shareholders. The MD and CEO acts as a link between the Board and the management team. The following chart or matrix identified by the Board and the concerned Director as the required skills/ expertise/ competencies for the Directors of the Company and the individual Director concerned. in the context of the NBFC sector.

Report on Corporate Governance

Annexure 1 (Contd.)

No.	Name of the Director	Skills / Expertise / Competencies identified by Board												
		Financial	Regulatory affairs	Capital market/ treasury	Sales/ Marketing / Recovery	Technology	Risk Management	Planning	Business Analysis	Investor servicing	Decision making	Diversifying the products	Human Resource Management / Leadership	Mergers and Acqusitions
1	Debendranath Sarangi		YES					YES		YES	YES		YES	
2	Yalamati Srinivasa Chakravarti	YES		YES	YES	YES	YES	YES	YES		YES	YES	YES	
3	Diwakar B Gandhi	YES	YES	YES	YES	YES					YES	YES	YES	YES
4	Duruvasan Ramachandra			YES	YES	YES	YES		YES		YES	YES	YES	
5	Ignatius Michael Viljoen	YES					YES				YES		YES	
6	Maya S Sinha	YES	YES				YES		YES	YES	YES		YES	
7	Shashank Singh	YES		YES				YES	YES		YES			YES
8	Umesh G Revankar	YES	YES			YES	YES	YES			YES		YES	
9	Venkataraman Murali	YES	YES			YES	YES			YES	YES		YES	YES

Report on Corporate Governance

Annexure 1 (Contd.)

2.1 DETAILS OF DIRECTORS

No	Name of the Director	DIN	Category of Directorships		Position	Name of the listed entities	Chairmanship of Committees	Membership of Committees	BM	ALCO	ARMC	BSMC	CSR	ITS	NRC	SRC	IDM	AGM	EGM #	*	**	***	Remuneration (` in crores)	Percentage of increase during FY21	Ratio of remuneration of each Director/ to median remuneration of employees
1	Sri Debendranath Sarangi	01408349	NE	I	Chairperson	1.Voltas Ltd - Non Executive, Independent Director 2. Southern Petrochemical Industrial Corporation Ltd, Non Executive, Independent 3. Tamilnadu Petroproducts Ltd, Non Executive, Independent	-	CSR, NRC	6	-	-	-	3	-	5	-	2	Present	Present	5	1	-	0.1275	75.00	8.28
2	Sri Y S Chakravarti	00052308	E	NI	MD and CEO	Shriram Transport Finance Company Limited - Non Executive, Non Independent Director	-	ALCO, CSR, IT Strategy Committee, SRC	6	4	-	-	3	2	-	2	-	Present	Present	1	-	-	0.8240	28.13	48.49
3	Sri Diwakar B Gandhi	00298276	NE	I	Director	-	NRC	SRC,ARMC	6	-	2	-	-	-	5	2	2	Present	Present	6	-	-	0.135	114.29	8.87
4	Sri Duruvasan Ramachandra	00223052	NE	NI	Director	CES Ltd - Non Executive, Independent Director	-	-	5	-	-	-	-	-	-	-	-	Present	Present	3	3	-	-	-	-
5	Sri Ignatius Michael Viljoen	08452443	NE	NI	Director	Shriram Transport Finance Company Limited - Non Executive, Non Independent Director	-	NRC	5	-	-	-		-	5	-	-	Present	Present	6	-	-	-	-	-
6	Smt Maya S Sinha	03056226	NE	I	Director	Shreyas Shipping and Logistics Ltd - Non Executive, Independent Director	CSR,SRC	ARMC	6	-	6	-	3	-	-	2	2	Present	Present	10	-	1	0.1475	113.33	9.46
7	Sri Pranab Prakash Pattanayak	00506007	NE	I	Director	-	ALCO	ARMC	3	3	3	-	-	-	-	-	1	Present	Present	1	-	-	0.0825	100.00	5.32
8	Sri Shashank Singh	02826978	NE	NI	Director	Zensar Technologies Ltd - Non Executive, Non Independent Director	-	-	6	-	-	-	-	-	-	-	-	Present	Present	4	1	-	-	-	-
9	Sri Umesh G Revankar	00141189	NE	NI	Director	Shriram Transport Finance Company Limited - Non Executive, Non Independent Director	-	ALCO	1	1	-	-	-	-	-	-	-	Present	Not applicable	8			-	-	-
10	Sri Venkataraman Murali	00730218	NE	I	Director	Take Solutions Ltd - Non Executive, Independent Director	ARMC	SRC,ITS	6	-	6	-	-	2	-	2	2	Present	Present	4	1	1	0.1425	100.00	9.46

BM - Board Meeting, ALCO - Asset Liability Management Committee, ARMC - Audit and Risk Management Committee, BSMC - Banking and Securities Management Committee, CSR - Corporate Social Responsibility Committee, NRC - Nomination and Remuneration Committee, SRC - Stakeholders Relationship Committee, IDM - Independent Directors Meeting, AGM - Annual General Meeting

Sri Umesh G Revankar was appointed as an Additional Director w.e.f December 14, 2021

Sri Pranab Prakash Pattanayak director resigned with effect from January 5, 2022.

ARMC was reconstituted with Sri Venkataraman Murali as the Chairperson,Ms Maya S Sinha and Sri Diwakar B Gandhi as Members of the Committee w.e.f. January 6, 2022

ALCO was reconstituted with Sri Y S Chakravarti as the Chairperson, Sri Ramasubramanian Chandrasekar and Sri Umesh G Revankar as Members of the Committee w.e.f. January 6, 2022

ITS was reconstituted with Sri Venkataraman Murali as Chairperson, Sri Y S Chakravarti, Sri Ramasubramanian Chandrasekar, Smt Anitha S, Sri R Jayaraman and Sri M Karthikeyan as Members of the Committee w.e.f. November 2, 2020

SRC was reconstituted with Ms Maya S Sinha as Chairperson, Sri Diwakar B Gandhi , Sri Venkataraman Murali and Sri Y S Chakravarti as Members of the Committee w.e.f. November 3, 2020

Sri Ramasubramanian Chandrasekar is member of the ALCO but not member of the Board

Sri Ramasubramanian Chandrasekar, Smt Anitha, Sri R Jayaraman and Sri M Karthikeyan are members of the IT Strategy Committee but not members of the Board

Sri Ramasubramanian Chandrasekar, Smt Krithika Doraiswamy and Sri R Jayaraman are members of the BSMC but not members of the Board

Non - Executive ("NE"), Executive ("E"), Non Independent ("NI"), Independent ("I"), Managing Director and Chief Executive Officer ("MD and CEO")

***Number of directorships held in other companies** (including alternate directorship) held in other companies except Shriram City Union Finance Ltd. ****Membership of the Committees of the Board of Directors of other companies.** *****Chairmanship of the Committees of the Board of Directors of other companies.** "Committee" of other companies here means Audit Committee and Shareholders'/Investors' grievance committee public limited companies in India.

Remuneration : Independent Directors are paid sitting fees only for being a member and attending respective meetings of ALCO, ARMC, CSR, ITS,NRC, SRC, IDM and General Meeting ₹ 75,000 per meeting attended w.e.f. July 1, 2021.The remuneration of MD and CEO is as per terms of his appointment.

During FY22 sixty six meetings of BSMC, four meetings of ALCO, six meetings of ARMC, five meetings of NRC, two meetings of CSR, two meetings of ITS and two meetings of SRC and two meetings of IDM were held during FY21.

Percent increase-Increase in remuneration in FY10 over FY20

Ratio of remuneration-Ratio of remuneration of each Director/to median remuneration of employees

Name of Other listed entities - Name of other listed entities where directorship is held and category of directorship

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Annexure 1 (Contd.)

None of our Directors hold Company's equity shares or convertible instruments in their name or on beneficial basis by them as declared by them as per para C (2) (f) of Schedule V of LODR. All Directors have made declaration about their category of directorships in the Company at the time of their appointment and make this declaration annually. All such annual declarations for 2021-22 were placed before the Board Meeting ("BM") held on April 29, 2022. None of the Directors is related inter se in terms of 'relative' defined under the Act. Monitoring and managing misuse of Company's assets, potential conflicts of interest of management, board members and shareholders, and abuse in related party transactions are done by the Board on quarterly basis.

2.2 BOARD PROCESS

Board Meeting ("BM") takes place at least once in each calendar quarter with specific agenda to review, in addition to other matters, the performance and financial results of the Company. Management team makes presentations on the operations, financial results, strategy, internal audit, risk management and human resource at the meetings of the Board and Committees. Familiarisation programmes are conducted periodically. Additional BMs are held by giving appropriate notice on specific needs. The maximum time gap between two BMs does not exceed 120 days. The calendar of BMs for a financial year is decided in advance. Notice and Agenda of each BM are sent to each Director in advance. In addition to Directors and Senior Management team, persons who can give insight to respective subjects are invited to the BMs. In special and exceptional circumstances, additional or supplementary item(s) is/are permitted. The Chairman and Company Secretary draft the agenda for each BM in consultation with MD & CEO and CFO with inputs from Directors and the respective functional heads of the Company. Where it is not practicable to attach any document to the agenda of BM, the same is tabled at the BM. In cases of business exigencies or urgent matters, agenda with required papers and draft of the resolution to be passed are circulated. The information as per the requirement of corporate governance norms are made available to the Board including the information as mentioned in regulation 17 (7) of LODR. The Board is also free to take up any matter for discussion in agreement of specified number of Directors and in consultation with the Chairman. The Board has accepted all recommendations of its committees during 2021-22. The required decisions taken in the BM are communicated to the concerned functional heads of the Company and an action taken report is placed at each BM. The Board has complete access to all the information and employees of the Company.

The deliberations and decisions occurring in every BM are entered in the minute book. The draft minutes are circulated within specified time to the members of the Board. The minutes are prepared by suitably incorporating the suggestions and changes given by members and are finalised by the Chair person. The minutes are signed by the chairperson of the same meeting or by the chairperson of the succeeding meeting within the specified time line. The minutes of the BM are circulated to all the members of the Board.

The process specified above for BMs are followed for the meetings of all the Committees constituted by the Board as far as practicable. The minutes of the meetings of the Committees are placed before the BM for discussion, action if any and noting. The minutes of the subsidiary company of the Company are placed before the BM on quarterly basis. The performance evaluation of all independent directors is done by the entire Board excluding the concerned independent director based on the criteria of performance evaluation laid down by the NRC .The Board also evaluates the fulfilment of the independence criteria as specified in LODR and their independence from the management. The criteria of performance evaluation of independent directors as laid down by the NRC is attached as Annexure - 13.

2.3 FUNCTIONING OF THE BOARD

The Board is the apex body constituted by share holders for overseeing the overall functioning of the Company. The day to day affairs of the Company are managed by senior management team headed by the Managing Director and Chief Executive Officer, who functions under the overall direction, supervision, and control of the Board. The Board and Committees review and guide on the matters specified in different regulations in addition to strategies, plans, risk management, budgets, setting performance objectives and monitors implementation and corporate performance. The Board monitors the effectiveness of practices with respect to governance, disclosure, communication and compliance with regulatory requirements. Board has constituted committees with specific terms of

Report on Corporate Governance

Annexure 1 (Contd.)

reference by delegating some of its power, where ever required. Committees constituted are as per requirements of business and as mandated under laws. On constitution of Committees, the Board defines the terms of reference and appoints members and the chairperson of the Committee .Committees are named according to broad term of reference. The Committees are constituted or re-constituted depending on business or regulatory need. The Committees are reconstituted with change in members as the need be. The Board thus exercises close control over the functioning of the Company with a view to enhancing the stakeholder value. The Board periodically reviews the compliance by the Company of all applicable laws, as well as steps taken by the Company to rectify non- compliance, if any. Independent Directors play an important role in the governance process of the Board.

2.4 BOARD MEETINGS AND ATTENDANCE OF DIRECTORS

Six BMs were held during the Year - on April 30, 2021, July 29, 2021, October 27, 2021, December 13, 2021, January 28, 2022 and March 8, 2022 and the time gap between the two BMs did not exceed 120 days during 2021-22. The attendance and other relevant details of each Director are mentioned in table 2.1. All the meetings of the Board and Committees were held virtually at Chennai through video conferencing during 2021-22 to adhere to social distancing norms. All the participants made declaration individually in the meetings about receipt of agenda, clarity of audio/ video, recording of attendance etc at the beginning of each meeting.

None of the Directors is a member of more than 10 Committees and Chairman of more than 5 Committees across all listed entities as required under regulation 26 (1) of LODR. Directors submitted their requisite disclosures to the Company regarding their directorship and Committee positions in other Companies. The quorum for the BMs is as per provisions of law. The BMs are attended by in addition to, the members of the Board, senior management team and persons who can give insight to different subjects. Board Members attend the BMs being present personally or through video facilities. The meetings of Committees are held as per provisions of law. The number meetings held during the Year is mentioned in the table 2.1. As far as possible, same process is followed for meetings of Committees as BMs.

2.5 MEETING OF INDEPENDENT DIRECTORS

A meeting of Independent Directors was held on October 27, 2021 and December 13, 2021 as required under Regulation 25 (3) of the LODR and Schedule IV of the Act to discuss the matters specified therein. The attendance and other relevant details of each Director are mentioned in table 2.1

2.6 CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board has laid down "Code of Conduct for Board Members and Senior Management" ('CCBS') for the members of the Board and for designated senior management personnel as required under regulation 17 (5) of the LODR. The CCBS is displayed on the web site of the Company (refer table 1). All the Board members and the designated senior management personnel affirmed compliance with the Code. A declaration to this effect signed by the Managing Director and CEO is attached as Annexure – 12.

2.7 REMUNERATION OF DIRECTORS

We affirm that the remuneration of the Directors is governed by the policy of the Company named "Policy on Appointment, Remuneration and Diversity of Board" displayed on the web site of the Company (refer table - 1). Non Executive Independent Directors get sitting fees for each of the meeting of the Board and Committee (where he/she is a member) attended. Such fees paid to the Directors during 2021-22 are mentioned in the table 2.1.The Managing Director (MD) and CEO of the Company is paid remuneration as per terms of his appointment approved by the Members. The details of remuneration of the MD and CEO is mentioned in Annexure – 9 and there are no stock option provided to the MD and CEO. No other remuneration is paid to the Directors except mentioned above. No member of the Board is granted stock options.

3. COMMITTEES OF THE BOARD

The Board has constituted committees for different purposes of the business of the Company and as per requirements outlined under the Act, LODR and regulations of RBI. Guidelines are set out in regulation 18, 19, 20, 21 of LODR. At the time of constituting a committee, the Board defines terms of reference, appoints members and chairperson. The Board makes any changes thereof of each committee as and when required. The

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Annexure 1 (Contd.)

committees are constituted or reconstituted based on business, regulatory and change requirement. The committees constituted by the Board are Asset Liability Management Committee, Audit and Risk Management Committee, Banking & Securities Management Committee, Corporate Social Responsibility Committee, IT Strategy Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. Brief terms of reference and the number of meetings of the committees held during the Year are provided below. The related attendance of members and composition of each Committee are mentioned in table 2.1.

3.1. ASSET LIABILITY MANAGEMENT COMMITTEE

This Committee was constituted as required under RBI notification no. DNBS. (PD).CC No. 15/02.01./2000-2001 dated June 27, 2001 applicable to Non Banking Finance Companies.

3.1.1 Brief terms of reference

(i) Formulate, review monitor and recommend Policy on Investment, Asset-Liability Management, Private Placement of NCDs, Securitisation, Interest Rate Approach and Gradation of Risk and other related matters, (ii) Formulation of business strategy in line with the Budget, (iii) provide frame work for measuring, monitoring and managing assets liabilities/interest risk/ liquidity risk/ business risk/ other risk, (iv) decide risk management objectives and ensuring adherence to the limits set by the Board, (v) monitor the asset liability gap, (vi) any other subject as may be specified by RBI from time to time.

3.1.2 Composition and Meetings

Composition of the Committee and attendance are mentioned in the table 2.1.During 2021-22, the Committee met 4 times on April 30, 2021, July 29, 2021, October 27, 2021 and January 28, 2022.

3.2 AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee constituted as required under Section 177 of the Act, regulation 18 and 21 of the LODR and regulation of the RBI

3.2.1 Brief description of the terms of reference

(i) Review financial reporting process, financial conditions, financial statements, results of operations and ensure financial statements are correct, sufficient and credible, (ii) Review internal control and it's adequacy, financial controls, risk management systems, risk assessment reports, management letters, audit report, (iii) Recommend appointment, re-appointment, terms of appointment/ reappointment and remuneration of statutory auditors and review performance and independence of auditor, (iv) review effectiveness of audit process, adequacy and structure of internal audit, internal audit report, investigation report and follow up action thereon, (v) Review repayment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors and scrutiny of inter-corporate loans, inter corporate investments and if necessary valuation of assets or undertaking, (vi) review and recommend monitor different policies including Risk Management Policy and formulate Related Party Transaction ("RPT") Policy and approve RPTs as required, (vii) review cyber security, (viii) approve appointment of Chief Financial Officer (CFO) (ix) Seek information from employees, obtain legal or professional advice and (x) review utilisation of loans and/ or advances from/investment by the Company in the subsidiary(ies) exceeding ₹ 100 crores or 10% of the asset size of the subsidiary(ies), whichever is lower including existing loans / advances / investments. The Company Secretary of the Company acts as the Secretary for the Committee.

3.2.2 Composition and Meetings

The Composition of the Committee and attendance are mentioned in the table 2.1. The Committee met 6 times during 2021-22 on April 30, 2021, July 29, 2021, October 27, 2021, December 13, 2021, January 28, 2022 and March 8, 2022.

3.3 BANKING & SECURITIES MANAGEMENT COMMITTEE

The Banking and Securities Management Committee is formed for the purpose of banking, borrowing, securities management and other day-to-day business requirement purposes. There were 66 meetings held during 2021-22.

3.4 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee was constituted as required under section 135 of the Act. The composition of the Committee and attendance are mentioned in the table 2.1

3.4.1 Brief description of the terms of reference

(i) Formulate, amend, change and recommend to the Board Corporate Social Responsibility ("CSR") Policy of the Company indicating the activities to be undertaken

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Annexure 1 (Contd.)

in compliance with applicable regulations (ii) plan, identify, evaluate, check sustainability, decide, approve execute and monitor CSR projects/ programs/activities (iii) recommend an annual action plan including the list of CSR projects or programmes specified in Schedule VII of the Act, the manner of execution, modalities of utilisation of funds in implementation, monitoring and reporting mechanism, and impact assessment pursuant to with the CSR Policy (iv) approve CSR activities/expenditure in case of emergency situations or natural calamities and ongoing multi year projects/ programmes/ activities having timelines not exceeding three years excluding the year in which the project/ programmes/ activity commenced (v) recommend ratification of existing projects/programmes/ activities the duration of which has been extended beyond one year by the Board (vi) monitor and decide on all the activities with respect to CSR including appointment of any CSR Agent/ intermediary/ Implementing agency and authorise any official to do any or all necessary acts and deeds as may be required for the purpose of CSR projects/program/activity of the Company (vii) ensure transfer of Unspent CSR amount to any fund specified in Schedule VII until a specific fund is notified by Ministry of Corporate Affairs for transfer of unspent CSR amount and (viii) ensure that the activities included in the CSR policy are undertaken by the Company

3.4.2 Composition and Meetings

The Committee met 3 times during 2021-22 on April 30, 2021, July 29, 2021 and October 27, 2021.

3.5 IT STRATEGY COMMITTEE

The Committee was formed as required under RBI/ DNBS/2016-17/53 Master Direction DNBS.PPD. No.04/66.15.001/2016-17 dated June 08, 2017 and other applicable regulations of RBI.

3.5.1 Brief description of terms of reference :

(i) Approve and monitor implementation of IT strategy by balancing risk and benefits etc, (ii) Formulate, evaluate and review effectiveness of IT outsourcing policy, contingency plan, (iii) Evaluate IT risks and materiality assessing significant risks and reporting to the Board of such risks, (iv) review independent audit report on IT policies and procedures and action taken on such reports

3.5.2 Composition and Meetings :

The Committee met on July 29, 2021and January 28, 2022 during 2021-22.

3.6 NOMINATION AND REMUNERATION COMMITTEE

This Committee was constituted as required under Section 178 of the Act, regulation 19 of the LODR and regulations of RBI

3.6.1 Brief description of terms of reference :

(i) Identify fit and proper persons to be directors/ members of senior management and should such a need arise, (ii) recommend removal of director from the Board, (iii) Performance evaluation of directors, Board and Committee on an annual basis, (iv) Scrutiny of the declarations/undertakings by the Directors, (v) Formulation of the attributes for fit & proper person and independence of directors, (vi) Remuneration of directors and key managerial personnel ("KMP"), Management of employee talent, welfare, incentive scheme and stock option scheme.

3.6.2 Composition and Meetings :

The Committee met 5 times during 2021-22 on April 30, 2021, July 29, 2021, October 27, 2021, December 13, 2021 and January 28, 2022

3.7 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee was constituted as required under Section 178 of the Act, regulation 20 of the LODR and regulations of RBI. The Committee looks into redressal of grievances of shareholders, debenture holders, other security holders.

3.7.1 Brief description of terms of reference:

(i) Investor/customer services/relations and resolution of grievances, (ii) Issue and listing of securities, (iii) Investor Education and Protection Fund ("IEPF") matters, (iv) Review of security holding patterns, (v) Monitor Code of Conduct for Insider Trading.

3.7.2 Composition and Meetings :

The Committee had met twice during 2021-22 on April 30, 2021 and July 29, 2021. There were no outstanding shareholder complaint at the beginning of 2021-22 and the Company has not received any complaint from the shareholder during 2021-22. No complaint was pending as on March 31, 2022.

4 SUBSIDIARY COMPANY

M/s Shriram Housing Finance Limited, CIN : U65929TN2010PLC078004 ("SHFL") is the only

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subsidiary of the Company. SHFL is managed by it's Board of Directors consisting of 4 Directors out of which 2 Independent Directors and 2 non Independent Directors. Since, SHFL is an unlisted non material subsidiary, the Company is not required to nominate one of it's independent directors on the Board of SHFL. However, the Board nominated Sri Venkataraman Murali, an independent director of the Company as a director on the Board of SHFL. The financial statements, in particular the investments made by SHFL were reviewed during 2021-22 by ARMC of the Company. The minutes of the meetings of BM and ARMC of SHFL were placed before the BM and ARMC of the Company quarterly. A statement containing all the significant transactions and arrangements entered into by SHFL was placed before ARMC of the Company. The Policy on Material Subsidiaries and Events and Policy on Preservation and Archival of Documents is available at the website (refer table – 1)

5 RELATED PARTY TRANSACTIONS

Related party is determined based on Section 188 of the Act, regulation 23, Part A of Schedule V and other applicable regulations of the LODR, RBI regulations and applicable accounting standard. The ARMC of the Company and the Board have approved policy on RPTs, which is displayed on the web site of the Company (refer table 1). The RPTs were reported to the ARMC and the Board on quarterly basis. Requisite approvals of ARMC and the Board were taken for RPTs. The details of transactions with entity(ies) belonging to promoter/ promoter group which holds 10% or more shareholding in the Company is given in the notes to accounts of the financial statements. There were no material RPTs during 2021-22. RPTs are reported in note no. 42 of the Notes to accounts of the financial statements.

6 SHARE HOLDER INFORMATION AND DISCLOSURES

6.1 CORPORATE

The Company was incorporated on March 27, 1986 as Shriram Hire-Purchase Finance Private Limited with Registrar of Companies, Tamil Nadu, Chennai and got fresh certificate of incorporation consequent to change of name to Shriram City Union Finance Limited with effect from April 10, 1990. The Company made an initial public offering in December, 1994. The corporate identification number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L65191TN1986PLC012840. The Company is registered as a Non Banking Finance Company ("NBFC") with RBI with registration number - 07-00458. The equity shares of the Company are listed in M/s BSE Limited ("BSE") and M/s National Stock Exchange of India Limited ("NSE").

6.2 APPOINTMENT/REAPPOINTMENT OF DIRECTORS

One third of the Directors (excluding Independent Directors) liable to retire by rotation, retires by rotation and if eligible seek reappointment at AGM. As per provisions of the Act and Articles of Association of the Company, Sri Ignatius Michael Viljoen holding (DIN – 008452443) will retire by rotation and being eligible has sought for re-appointment at the ensuing AGM. He has expressed his intention and confirmed his eligibility to continue as Director of the Company if appointed at the ensuing AGM. Sri Umesh Govind Revankar (DIN - 00141189) who was appointed as the additional director with effect from December 14, 2021 who hold office upto the conclusion of 36th AGM has expressed his intention and confirmed his eligibility to be appointed as Director of the Company. The details on the appointment of Sri Umesh Govind Revankar forms a part of the Notice of the ensuing AGM. The notice of the 36th AGM states about the appointment/re-appointment of above named Directors. .

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6.3 GENERAL BODY MEETINGS / POSTAL BALLOTS

The date, time and venue of last three AGMs held and special resolutions passed thereat are as follows. No Extraordinary General Meetings ("EGMs") was held during the last three years.

Year ended March 31	AGM	Location	Date	Time	Special Resolutions passed
2019	33rd AGM	Narada Gana Sabha (Mini Hall), No 314 (Old No 254) T T K Road, Alwarpet, Chennai – 600 018	July 29, 2019	10.00 am	*
2020	34th AGM	Video Conferencing ("VC") at Chennai	July 31, 2020	10.00 am	**
2021	35th AGM		July 29, 2021	10.00 am	***
2022	Extraordinary General Meeting		September 8, 2021	11.00 am	****

*Appointment of Sri Pranab Prakash Pattanayak (DIN- 00506007) as an Independent Director, Appointment of Sri Venkataraman Murali (DIN-00730218) as an Independent Director, Increase in borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 40,000 crores and private placement of securities

**Appointment of Sri Ignatius Michael Viljoen (DIN – 08452443) as a Non Independent Director, Appointment of Sri Debendranath Sarangi (DIN – 01408349) as an Independent Director, Appointment of Smt Maya S Sinha (DIN – 03056226) as an Independent Director and Borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 40,000 crores

*** Borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 40,000 crores and Alteration of Article 26.2 of the Articles of Association of the Company.

**** Resignation of Auditors M/s G D Apte & Co. and their remuneration for 2021-22 and Appointment of M/s R Subramanaian & Co, LLP and M/s Abarna and Ananthan as joint auditors of the Company and their remuneration.

The following special resolutions were passed under Section 180 (1) (a) of the Act through postal ballot and remote e-voting in 2020-21 for creation of security on the assets/ receivables of the Company and for securitisation

Type of voting	Votes casted in favour			Votes casted against			Date of declaration of results
	No of shareholders	No of votes	Percentage of votes	No of shareholders	No of votes	Percentage of votes	
E	58	4,17,43,594	97.01	14	12,86,011	2.99	July 28, 2015
PBF	166	12,81,551	99.94	9	553	0.04	
E	72	4,99,04,913	92.14	32	42,46,650	7.84	July 28, 2016
PBF	72	9,777	0.02	7	292	0.00	
E	100	5,85,57,370	99.85	6	80,871	0.14	June 12, 2018
PBF	74	8,009	0.01	5	127	0.00	
E	64	54,781,018	95.30	37	2,697,401	4.69	July 25, 2018
PBF	58	4,074	0.01	4	95	0.00	
E	57	5,50,04,731	94.64	36	31,09,304	5.35	July 29, 2019
PBF	60	5,002	0.01	1	5	0.00	
E	97	5,76,98,994	99.96	7	20,948	0.04	June 12, 2020
E	129	4,65,39,958	99.95	9	22,038	0.05	June 12, 2021

Electronic ("E") and Postal Ballot Forms ("PBF")

The following special resolutions were passed through remote e-voting for issue of debentures on private placement basis by the Board

Type of voting	Votes casted in favour			Votes casted against			Date of declaration of results
	No of shareholders	No of votes	Percentage of votes	No of shareholders	No of votes	Percentage of votes	
E	98	5,76,99,894	99.97	7	20,054	0.03	June 12, 2020
E	126	4,65,39,698	99.95	10	22,039	0.05	June 12, 2021

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Sri P Sriram, M/s SPNP & Associates, Company Secretaries in practice was appointed as the scrutiniser for carrying the process of remote e-voting in fair and transparent manner.

All business set out in the notice of 36th AGM shall be conducted through remote e-voting in compliance with sections 108, and other applicable Sections of the Act, relevant rules and regulation 44 (3) of the LODR provided by the Company through CDSL. The notice of 36th AGM state the process of respective voting. The voting rights are based on the number shares of the Company held by the member on the cutoff date. The scrutiniser appointed by the Board shall submit his report on results of the respective voting to the Chairman after completion of his scrutiny within permissible time. The facility of e-voting shall be made available at the 36th AGM with the assistance of scrutinisers for the members, who have not casted their votes through remote e-voting.

6.4 MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

During 2021-22, there were no materially significant RPTs entered into, which were in potential conflict with the interest of the Company at large. The details of RPTs are presented in note no 42 of the financial statements attached hereto. The statement of RPTs is placed before the Audit Committee on quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature. The Related Party Transaction Policy and dealing with RPTs as approved by the Board is uploaded on the Company's web site (Refer Table 1). None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except the payment of sitting fees to Directors by the Company.

6.5 ACCOUNTING TREATMENT

The details of accounting treatment followed during 2021-22 are mentioned in the Notes to Financial Statements.

6.6 RISK MANAGEMENT

Our business is subject to uncertainties and risks. The impact of these risks may impact our performance. If any of the risks materialise, our business, financial and prospectus could be materially and adversely affected. The risk management function of the Company help in identifying, analysing, assessing, mitigating, monitoring and governing risks. The Company has risk management policy. A separate section in this report titled "Management Discussion and Analysis" discusses about risk and its mitigating factors is attached to this report (Annexure - 3). Risk management is reviewed by ARMC of the Company on quarterly basis.

6.7 DETAILS OF NON COMPLIANCE AND PENALTIES, STRICTURES IMPOSED

There were no instances of non compliance by the Company on any matter relating to capital market during last three years. No penalties, strictures were imposed on the Company by stock exchanges or SEBI or any other statutory authority (ies) last 3 years except mentioned in the notes to accounts.

6.8 WHISTLE BLOWER, VIGIL MECHANISM AND PROHIBITION OF INSIDER TRADING

The Company promotes ethical behaviour in all it's business activities. Accordingly ,the Company has formulated "Whistle blower and Vigil Mechanism Policy" in line with regulation 22 of the LODR and RBI regulations for employees to report concerns about unethical behaviour providing for adequate safeguard against victimisation of directors/employees, who avail of the mechanism. This policy is disclosed in the web site of the Company. No person is denied access to the ARMC. The Company has formulated "Code for Fair Disclosure and Conduct", which is displayed on the web site of the Company.

6.9 AUDIT OF RECONCILIATION OF SHARE CAPITAL

Audit of reconciliation of share capital is mandated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996. Accordingly, this audit for reconciliation of share capital admitted with NSDL and CDSL with the total issued and listed capital were carried out on a quarterly basis during 2021-22 by M/s SPNP & Associates ("SPNP"). SPNP was appointed by the Board. The audit reports did not have any adverse comment and the same were submitted quarterly to BSE and NSE within stipulated time.

6.10 MEANS OF COMMUNICATION

The Company communicates periodically with shareholders ,debenture holders, fixed depositors through different modes such as individual letters, publication in news papers, disclosure to BSE/NSE, display on it's web site, emails ,annual reports etc. The annual and quarterly financial results of 2021-22 were published in newspaper in english in "Business Standard" and in Tamil in "Makkal

Report on Corporate Governance

Annexure 1 (Contd.)

Kural" within 48 hours of conclusion of the Board Meetings at which the respective financial results were approved. The quarterly/half /yearly financial results are published in the newspapers of wide circulation and are sent to registered email ids of individual shareholders. Financial Results are also displayed on the website of the Company (Refer Table 1), BSE and NSE.

The Company also give press release in different news papers after declaration of financial results for information of investors. The Company's website contains a separate section "INVESTOR", where shareholder/security holder information are displayed. Presentations made to institutional investors, investors/ earning conference calls or to the analysts transcripts, and other general information about the Company are also available on the Company's website https://www.nseprimeir.com/z_SHRIRAMCIT/earning_call.aspx and https://www.nseprimeir.com/z_SHRIRAMCIT/investor_presentation.aspx The annual report of the Company is also displayed at the same section of the website of the Company (Refer Table -1). Shareholders have been provided with an opportunity to update their email id for receiving correspondence and annual report in electronic form. The annual report and quarterly financial results were sent in electronic form to the registered email ids of shareholders. The Ministry of Corporate Affairs (MCA) and SEBI have exempted companies from circulation of physical copies of Annual Report for year ended March 31, 2022 vide general circular number 2/2022 dated May 5, 2022 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 respectively The Annual Report of the Company containing director's report, standalone financial statements, consolidated financial statements, auditor's report thereon and other important information are circulated to members and others entitled thereto. The investor complaints are processed in centralised web based complaints redressal system controlled by SEBI known as SEBI Complaint redress system ("SCORES"). The Investor section of the web site contains specified email ids for investor servicing i.e. sect@shriramcity.in, scufncd18@shriramcity.com, customersupport@shriramcity.com, shriramcity@shriramcity.in The Company has been filing the information related to corporate governance, shareholding pattern, reconciliation of share capital audit and quarterly financial results in the website of NEAPS (National Electronic Application Processing System) viz https://neaps.nseindia.com/NEWLISTINGCORP/ and on BSE Listing Centre https://listing.bseindia.com. The presentations made by the Company to analysts are displayed on the web site of the Company (Refer Table -1). The SRC of the Board examines and redresses grievances of the shareholders and investors. The status of grievances of shareholders and investors are reviewed by the ARMC and Board. The Company discloses to BSE/NSE information required to be disclosed under Regulation 30 read with Part A of Schedule III of the LODR including material information having a bearing on the performance / operations of the Company or other price sensitive information. The Board of Directors has approved a policy for determining materiality of events as required under LODR.

6.11 DETAILS OF 36TH AGM

a. Date and Time	July 22, 2022 at 10 a.m
b. Venue	The Company will conduct meeting through VC/OVAM pursuant to the MCA circular and as there is no requirement to have venue for the AGM. For details please refer to the Notice of AGM.
c. Dividend	Interim dividend and 2nd Interim dividend of ₹ 10.00 and ₹ 27.00 per equity share declared by the Board at its meeting held on October 27, 2021 and March 8, 2022 was paid on November 24, 2021 and March 25, 2022. The Board has not considered recommendation of final dividend at its meeting held on April 29, 2022.

6.12 FINANCIAL YEAR

The financial year for 2021-22 was from April 1, 2021 to March 31, 2022. The next financial year is from April 1, 2022 to March 31, 2023. The financial year of the Company is from April 1 to March 31.

Report on Corporate Governance

Annexure 1 (Contd.)

6.13 DETAILS OF LISTING ON STOCK EXCHANGES

The equity shares of the Company with ISIN – INE722A01011 are listed on BSE and NSE with stock code 532498 and SHRIRAMCIT respectively. The annual listing fees to BSE and NSE and annual custodian fees to NSDL and CDSL for the 2021-22 were paid on time by the Company. The details of listed secured redeemable non-convertible debentures (NCDs) of the Company are displayed on the website of the Company (refer Table -1).The Company submitted the documents/information to the respective Trustees to the issues and allotment of NCDs were made on time during 2021-22 in compliance of Regulation 55 of the LODR.

6.14 STOCK MARKET PRICE DATA

The volume and market price (high and low) of equity shares of the Company traded in each month during 2021-22 are given below.

	NSE							BSE						
Month	Per share price (in ₹ of the Company)			Volume of shares traded	NIFTY (in ₹)			Per share price (in ₹ of the Company)			Volume of shares traded	SENSEX (in ₹)		
	High	Low	Average		High	Low	Average	High	Low	Average		High	Low	Average
Apr-21	1482.10	1400.10	1441.10	452404	14894.90	14296.40	14595.65	1480.25	1397.40	1438.83	189446	50029.83	47705.80	48867.82
May-21	1932.50	1523.80	1728.15	1968096	15582.80	14496.50	15039.65	1931.05	1518.80	1724.93	101343	51937.44	48253.51	50095.48
Jun-21	1741.55	1645.20	1693.38	920345	15869.25	15574.85	15722.05	1738.20	1655.45	1696.83	38984	52925.04	51849.48	52387.26
Jul-21	1859.15	1685.75	1772.45	795584	15924.20	15632.10	15778.15	1855.70	1687.55	1771.63	70221	53158.85	52198.51	52678.68
Aug-21	2158.10	1800.60	1979.35	2301147	17132.20	15885.15	16508.68	2163.95	1804.50	1984.23	153238	57552.39	52950.63	55251.51
Sep-21	2554.15	2033.25	2293.70	3303807	17855.10	17076.25	17465.68	2554.50	2031.60	2293.05	125530	60077.88	57338.21	58708.05
Oct-21	2287.05	2056.35	2171.70	849614	18477.05	17532.05	18004.55	2368.30	2065.25	2216.78	44117	61765.59	58765.58	60265.59
Nov-21	2225.95	1940.40	2083.18	748270	18109.45	16983.20	17546.33	2227.15	1941.65	2084.40	44755	60718.71	57064.87	58891.79
Dec-21	2146.75	1683.40	1915.08	2395977	17516.85	16614.20	17065.53	2143.60	1685.55	1914.58	95121	58807.13	55822.01	57314.57
Jan-22	1827.05	1666.25	1746.65	781859	18308.10	17101.95	17705.03	1821.65	1666.90	1744.28	43735	61308.91	57200.23	59254.57
Feb-22	1858.20	1513.80	1686.00	845200	17780.00	16247.95	17013.98	1858.00	1513.30	1685.65	35829	59558.33	54529.91	57044.12
Mar-22	1627.90	1441.55	1534.73	1079686	17498.25	15863.15	16680.70	1625.75	1443.80	1534.78	74506	58683.99	52842.75	55763.37

Average price per share= (High price per share+Low price per share)/2

Report on Corporate Governance

Annexure 1 (Contd.)

6.15 MOVEMENT OF SHARE PRICE OF THE COMPANY IN COMPARISON TO NIFTY AND SENSEX

Report on Corporate Governance

Annexure 1 (Contd.)

6.16 CONTACT DETAILS

Particulars		Name	Address	Contact person name	Telephone number	Fax Number	E-mail id
Registrar and Transfer Agents (RTA)	Equity Shares & Dividend	Integrated Registry Management Services Private Limited	2nd Floor, Kences Towers, No. 1 Ramakrishna Street, Off North Usman Road, T. Nagar, Chennai – 600 017	Smt Anusha N Sri K Balasubramanian	+ 91 44 2814 0801 /02/03	+ 91 44 2814 2479	csdstd@ integratedindia. in csdstd@ integratedindia. in or scuf@ integratedindia. in
	Public issue of NCDs 2011, 2012 and 2019						
	Public issue of NCDs 2013 and 2014	Shriram Insight Share Brokers Limited	CK – 5 &15, Sector II, Salt Lake City , Kolkata- 700 091		+ 91 33 3250 7069 +91 33 2358 7188	+ 91 33 2358 7189	scuf_nov13@ shriraminsight. com and scuf_mar14@ shriraminsight. com
Trustees for NCDs		Catalyst Trusteeship Limited	GDA House, First Floor, Plot No. 85, S No. 94 & 94, Bhusari Colony (Right), Kothrud, Pune – 411 038	Smt Rakhi Kulkarni	+ 91 20 2528 0081	+ 91 20 2528 0275	dt@ctltrustee. com or grievance@ ctltrustee.com
Regulators		Ministry of Corporate Affairs ("MCA")	'A' Wing, Shastri Bhawan, Rajendara Prasad, New Delhi – 110 001		+91 11 2338 4660/ 2338 4659		
		Securities and Exchange Board of India ("SEBI")	Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051		+91 22 2644 9000/ 4045 9000	+91 22 2644 9019 – 22 / 4045 9019-22	sebi@sebi. gov.in
		Reserve Bank of India ("RBI")	16th Floor, Central Office Building Shahid Bhagat Singh Marg, Mumbai – 400 001		+91 22 2260 1000		
Stock Exchanges		National Stock Exchange of India Limited ("NSE")	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051		+91 22 2659 8100 – 8114	+91 22 2659 8120	
		BSE Limited ("BSE")	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001		+91 22 2272 1233	+91 22 2272 1919	corp.comm@ bseindia.com
Depository		National Securities Depository Limited ("NSDL")	Trade World, A wing, 4th floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013		+91 22 2499 4200 Toll free 1800 222 990	+91 22 2497 6351	info@nsdl.co.in
		Central Depository Services (India) Limited ("CDSL")	Marathon Futurex, A – wing, 25th floor, N M Joshi Marg, Lower Parel, Mumbai – 400 013		+91 22 2305 8640/8624/8639/ 8663 Toll free 1800 22 5533		helpdesk@ cdslindia.com

The aforesaid details are displayed on the web site of the Company.

Report on Corporate Governance

Annexure 1 (Contd.)

6.17 SHARE TRANSFER SYSTEM:

Company's shares are held by the holders in dematerialised form and few share holders hold it in physical form. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfer of shares held in dematerialised form are effected through the depositories with no involvement of the Company. In terms of Regulation 40 of LODR securities can be transferred only in dematerialised form w.e.f. April 1, 2019 except in transmission or transposition of securities. Further that transmission or transposition of securities held in physical or dematerialised form shall be processed and effected only in dematerialised form. As per SEBI circular No. SEBI/ HO/ MIRSD/ MIRSD_RTAMB /P/ CIR/ 2022/ 8 dated January 25, 2022, in case of Shares held in physical form, the RTA / Issuer Companies shall verify / process the service requests Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission, Transposition and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any, for the purpose of dematerialisation. The Board has delegated the authority to approve transmission etc of shares and securities of the Company to it's BSMC. As stipulated under Regulation 40(9) of the LODR, the Company obtained half yearly certificates of compliance from M/s SPNP & Associates, Company Secretary in practice and filed copies of the said certificates with BSE & NSE during 2021-22 within stipulated time. There were no deviations reported in the said certificates. The Company also received internal audit report of RTA.

6.18 UPDATION OF DEMOGRAPHIC DETAILS :

Updation of Nomination, Permanent Account Number ('PAN"), Bank account details and other required details can be made by applying in the specified form with necessary enclosure to the RTA or Depository Participant as the case may be. It is mandatory under SEBI regulations to provide PAN card for transfer/transmission of securities.

6.19 DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2022

No. of equity shares held	Shareholders		Shares	
	Number	%	Number	%
UPTO 500	23,563	96.75	8,76,482	1.32
501-1000	371	1.52	2,71,301	0.41
1001-2000	176	0.72	2,48,824	0.37
2001-3000	63	0.26	1,58,528	0.24
3001-4000	22	0.09	76,395	0.11
4001-5000	15	0.06	66,695	0.10
5001-10000	50	0.21	3,69,947	0.56
10001 AND ABOVE	94	0.39	6,45,59,844	96.90
Total	**24,354**	**100.00**	**6,66,28,016**	**100.00**

6.20 SHAREHOLDING PATTERN (IN %) AS AT MARCH 31, 202

Promoters	Mutual Funds	Banks and FIs	FII	Bodies Corporate	Individuals	Limited Liability Partnership	Foreign Com pany	Foreign Portfolio Investor	NRIs	Others	Alternative Investment Fund	Total
34.6117	4.0114	0.0025	0.0123	10.0502	2.8043	0.0016	20.1445	28.1581	0.1004	0.1028	0.0002	100

6.21 DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's equity shares are tradable compulsorily in dematerialised form in BSE and NSE, which are managed by NSDL and CDSL. The connectivity with NSDL and CDSL is established through the RTA. As on March 31, 2022, 6,65,12,698 of equity shares (99.83% of the shares), existed in dematerialised form. The Company's shares are liquid and are actively traded in both NSE and BSE.

Report on Corporate Governance

Annexure 1 (Contd.)

6.22 OUTSTANDING GDR/ADR/CONVERTIBLE WARRANTS, CONVERSION DATE AND IMPACT ON EQUITY

The Company has not issued any GDRs / ADRs. The Company has granted stock options to the eligible employees of the Company under Employees Stock Option Scheme, 2006 and Employees Stock Option Scheme 2013,the required details of which are set out in annexure to Report of Directors.

6.23 LOCATION

The Company is in the business of Non Banking Finance and operates through various offices in India with registered office at Chennai.

6.24 ADDRESS FOR CORRESPONDENCE

Registered Office :123, Angappa Naicken Street, Chennai 600 001, Ph: +91 44 2534 1431

Secretarial Office :144, Santhome High Road, Mylapore, Chennai 600 004. Ph : +91 44 4392 5300 Fax No : +91 44 4392 5430 Email : sect@shriramcity.in

6.25 CALENDAR FOR THE FINANCIAL YEAR 2021 – 2022 (TENTATIVE)

Annual General Meeting	September, 2022
Unaudited results for the quarter ending June 30, 2022	Last week of July, 2022
Unaudited results for the quarter / half –Year ending September 30, 2022	Last week of October, 2022
Unaudited results for the quarter ending December 31, 2022	Last week of January, 2023
Audited results for the Year ending March 31, 2023	Last week of May, 2023

6.26 ADOPTION OF MANDATORY AND NON MANDATORY REQUIREMENTS UNDER LODR

The Company has complied with all mandatory requirements and has also adopted the non mandatory requirements deemed appropriate. The report of the auditors of the Company does not contain any qualification on the financial statements. The posts of Chief Executive Officer ("CEO") and Chairman of the Company are held by two separate persons. The Company does not maintain a separate office for the Non–executive Chairman.

7. COMPLIANCE ON FINANCIAL REPORTING

The Company complies with the requirements of Financial Reporting. The MD & CEO and CFO give annual certification on financial reporting and internal control to the Board in terms of regulation 17(8) read with Part B of Schedule II of the LODR. The said certificate issued for 2021-22 is attached to this report as Annexure - 4 (Refer Table-1). The CEO & MD and CFO also issue certificate on financial results every quarter, while placing the quarterly financial results before the BM in terms of Regulation 33 (2) (a) of the LODR.

8. COMPLIANCE WITH CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance. A certificate from the Joint Statutory auditors of the Company, M/s R Subramanian & Co, LLP and M/s Abarna and Ananathan., Chartered Accountants confirming compliance with the conditions of corporate governance as stipulated under Part E of Schedule V of the LODR is attached to this report (Annexure No - 2). The certificate is without any adverse remarks and reservation.

9. ELIGIBILITY FOR APPOINTMENT/CONTINUANCE AS A DIRECTOR

Each director has declared to the Company stating that he/she is not disqualified or debarred by the Board / Ministry of Corporate Affairs ("MCA") or any such statutory authority from being appointed as a director on the board of company or to continue as director of company. The Board at its meeting held on April 30, 2021 appointed SPNP as the Practicing Company Secretary for issuing the certificate on disqualification of directors.. Pursuant to Schedule V Para C clause (10)(i) of the LODR, the Company has obtained certificate from M/s SPNP & Associates practicing company secretary confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority (Refer Annexure - 10)

Report on Corporate Governance

Annexure 2

R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
New No. 6, Krishnaswany Avenue, Luz,
Mylapore, Chennai – 600 004.

ABARNA AND ANANTHAN
Chartered Accountants
521, 3rd Main Rd, 2nd Phase,
6th Block, Banashankari, Bengaluru - 560085

INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members Shriram City Union Finance Limited

1. We have examined the compliance of conditions of Corporate Governance by Shriram City Union Finance Limited ('the Company'), for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

MANAGEMENT'S RESPONSIBILITY

2. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

OPINION

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.
7. Based on our examination as above and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2022.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

RESTRICTION ON USE

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

For R Subramanian and Company LLP
Chartered Accountants
FRN : 04137S / S200041

CA K Jayasankar
Partner
M No. 014156
UDIN : 22014156AIBOUT9841
Place : Chennai
Date : April 29, 2022

For Abarna and Ananthan
Chartered Accountants
FRN : 000003S

CA (Smt) Lalitha Rameswaran
Partner
M No. 207867
UDIN : 22207867AIBIBF6407

Management Discussion and Analysis

Annexure 3

COMPANY OVERVIEW

INTRODUCTION

Established in 1986, Shriram City Union Finance Limited is one of the leading NBFCs in the retail finance industry, providing timely borrowings to its customers and delivering value to its stakeholders. The Company is present in 986 branches in India through its offices with AUM of ₹ 33,186 crores as on March 31, 2022. The Company provides loans for businesses, for purchase of two-wheelers, commercial vehicles, against pledge of gold, against property and personal loan. The Company's subsidiary, Shriram Housing Finance Limited is a housing finance organisation registered with the National Housing Bank (NHB). The primary operation of the Company is providing loans for the purchase or construction of residential space and loans against property.

AUMs as on March 31 (₹ in crores)

2021-22	2020-21	2019-20
33,186	29,571	29,085

Product-wise Performance (₹ in crores)

Loan Type	Disbursement in 2021-22	AUM in 2021-22
MSMEs	6,972	14,718
Gold Loans	6,532	4,078
Two Wheelers	6,295	7,764
Personal Loans	3,987	4,068
Pre-owned Two Wheelers	1,123	1,025
Loan against Property	693	789
Auto Loans	538	744
Total	26,140	33,186

KEY HIGHLIGHTS 2021-22

- Steady growth in disbursements and AUM
- Improved profitability, asset yield and net-interest margins of 16.63%, 20.81% and 12.74%, respectively
- Comfortable ALM position across timelines
- Supported by strong collections
- Steady and strong credit ratings
- Digitisation in the overall processes, leading to efficient operations and higher level of customer convenience

Key Financial Ratios as on March 31,

Key Ratios-IND AS	2022	2021
Return on Average Total Assets (Annualised)	2.92%	3.10%
Return on Average Net-worth (Annualised)	13.06%	13.50%
Earnings Per Share (₹)(Basic)	164.16	153.16
Book Value Per Share (₹)	1,309.96	1,197.70
Capital Adequacy Ratio (CAR)	26.78%	28.64%
Interest Coverage Ratio	1.58	1.65
Debt-Equity Ratio	3.51	3.23

OPPORTUNITIES AND THREAT

Opportunities

- Industry leadership with dominant position
- Serving the under-served retail markets
- Strong brand pedigree and successful track record
- Wide product range and growth-accretive business fundamentals
- Robust financial management with balanced ALMs and lower NPAs
- Strong distribution network
- Business conducive environment with Government's focus on promoting MSME and Start-ups

Threats

- Regulatory challenges and credit availability
- Steep competition at the national level
- Product commoditisation

ECONOMIC REVIEW

OVERVIEW

The financial year 2021-22 set off on a positive note with resumption of economic activities, along with India's GDP growing at around 20.3% in the first quarter. However, the second wave of Covid-19, followed by partial lockdowns, hampered this progress although with less effect on the economy. Despite the second wave, India managed to achieve satisfactory growth backed by effective and speedy vaccination drives along with improved containment efforts. During the third quarter of the financial year, global inflation, rising crude oil prices and supply chain disruptions, led to a slower growth rate – further weakening the position of Indian rupee compared to US dollar. The Indian rupee ended as Asia's worst-performing currency for Calendar Year (CY) 2021. The Government raised its spending to tackle the pandemic and related concerns, thereon widening the budget deficit. According to Fitch Ratings, Indian economy is expected to witness estimated GDP of around 8.7% in 2021-22. Financial year 2020-21 witnessed the COVID-19 induced lockdowns and disruption of critical services, leading to decline in GDP to -6.6%.

Management Discussion and Analysis

Annexure 3 (Contd.)

On a positive note, the Government announced the Production Linked Scheme (PLI) across 14 key sectors, involving a capital infusion of ₹ 4 Trillion over the next five years. The PLI is expected to enhance the manufacturing capacities by 15-20%. Besides, the 'Gati Shakti: National Master Plan' launched by the Government involving a spending of ₹100 crores will further promote infrastructural development. The resultant impact would provide impetus to the manufacturing sector, increase employment generation, and reduce dependence on imports while generating higher exports.

India - Forecast Summary

(%) FY starting April	Annual Avg. 2017-2021	FY20-21	FY21-22F	FY22-23F	FY23-24F
GDP	3.8	-6.6	8.7	8.5	7.0
Consumer spending	4.3	-6.0	9.1	12.1	5.8
Fixed investment	4.4	-10.4	11.9	4.9	7.2
Net trade (contribution pp)	-0.9	1.4	-3.0	-2.1	0.6
CPI inflation (end-year)	4.6	4.6	5.7	4.6	5.0
Policy interest rate (end-year)	5.28	4.00	4.00	4.75	5.00

F: Forecast

(Source: Fitch Ratings)

INDUSTRIAL / PRIVATE CAPEX IN NEXT FIVE YEARS TO BE FUELLED BY PLI SCHEME

Estimated PLI Scheme Capex (₹ in crores)

OUTLOOK

The Russia-Ukraine conflict, and the economic sanctions imposed thereon has rapidly translated into escalation of energy costs, supply-chain disruptions, and inflation. As a result, causing a spike in crude oil prices, adding to the inflationary pressure. As per Fitch Rating, India is likely to grow at a slightly slower pace of 8.5% in 2022-23, driven mostly by the Government's aggressive fiscal stimulus and capital spending.

INDUSTRY STRUCTURE AND DEVELOPMENTS

INDIAN FINANCIAL SERVICES SECTOR

Indian Financial Services Sector comprises of commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds, and other smaller financial entities. The past few years have been exciting for this sector with multiple themes emerging and trying to gain market foothold.

The Government of India along with the Reserve Bank of India (RBI), introduced several reforms to liberalise, regulate and enhance this industry. Various measures have been undertaken in order to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include the launch of Credit Guarantee Fund Scheme for MSMEs, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). Some of the key trends observed during the period include:

Management Discussion and Analysis

Annexure 3 (Contd.)

Growing demand: Increasing household income is driving the demand for financial services across income brackets.

Emergence of fintechs: Driven by rapid expansion of mobile and internet connectivity, India has over 2,100 operating fintechs on course to become one of the leading names as among the largest digital markets.

Data consolidation: In September 2021, eight Indian banks announced to roll out 'Account Aggregator' system, enabling consumers to consolidate all their financial data at one place.

Policy support: The Government approved 100% FDI for insurance intermediaries, and increased FDI limit in the insurance sector from 49% to 74%, under the Union Budget 2021-22. Besides, International Financial Services Centres Authority (Banking) Regulations 2020, shall drive and facilitate constituent operations in the IFSC, enabling the sector to reach its potential.

Growing penetration: With increasing disposable income and internet connectivity improvements, credit, insurance, and investment penetration is rising in rural areas alongside combined push by the Government and private sector, India stands to be among the world's most vibrant capital markets.

INDIAN NON-BANKING FINANCIAL COMPANIES (NBFCS)

NBFCs form an integral part of the Indian financial system. It supplements the role of the banking sector, creating a passage to connect the less-banked customers to the financial services and thus paving way for inclusive growth. Furthermore, NBFCs streamline their business model through efficient use of technology, data analytics and artificial intelligence, leading to enhanced customer experience and strong credit assessment. The NBFCs are judged by asset-quality, profitability, exposure to sensitive sector and capital adequacy of NBFCs.

RBI is constantly striving to bring necessary regulatory changes in the NBFCs to ensure financial stability in the long-run. Despite sluggish economic growth, NBFCs witnessed growing market share despite pandemic-induced slowdown, lower demand, and sharper bank focus on retail loans, during 2021-22. There is increased regulatory oversight and push towards convergence with banks through scale-based regulation, re-alignment in asset quality classification, NPA recognitions, provisions, and prompt corrective action norms, among other measures.

OUTLOOK OF NBFCS

The outlook for NBFCs is expected to remain stable owing to a better operating environment and favourable regulatory measures. Sufficient capital buffers, stable margins, and sizeable on-balance sheet provisioning with adequate system liquidity, would further streamline competitive funding. Potential threat remains of any further pandemic waves or unfavourable interest rates and asset quality issues. As per India Ratings, the annual loan growth for NBFCs is likely to be around 14% in 2022-23. The sector is probable to observe normalcy in disbursements alongside increased demand for products, like loans against property, housing loans and vehicle finance, while personal and unsecured business loans too witnessed high demand during the pandemic. Growth in the vehicle finance segment is largely dependent on the increase in borrower's confidence and availability of vehicles – currently facing component shortage following the pandemic.

INDIAN MSME SEGMENT

The Indian MSME sector is considered to be the backbone of the Indian economy. It contributes significantly to the national socio-economic development, employment generation, and development of the backward and rural areas. The Government of India established the National Board for Micro, Small, and Medium Enterprises (NBMSME) under the Micro, Small, and Medium Enterprises Development Act, 2006. NBMSMEs examine the factors affecting the promotion and development of MSMEs. It is responsible for reviewing the existing policies and suggesting recommendations to the Government for further growth in the MSME sector. MSME's contributes to India's economic growth through a vast network of about 6.3 crores units, producing more than 8,000 products. It comprises 30% to India's nominal GDP and 33% to the manufacturing output. Around 50% of the MSMEs operate in rural, generating 45% of the total employment.

The budget allocation for the year 2021-22 has doubled to ₹ 15,700 crores, as compared to ₹ 7,572 crores in the 2020-21.

OUTLOOK OF MSMES

The impact of the pandemic is eventually waning away, and the economy is steadily gaining back its momentum. India is now on the verge of a digital breakthrough and Industry 4.0, has made inroads across sectors, boosting the digitisation process by nearly a decade. MSMEs experienced a seamless digital transformation without considerable investments or modifications to the prevailing strategies. Overall, the general outlook for MSMEs is expected to improve, influenced by easing liquidity stress and steady asset quality.

Management Discussion and Analysis

Annexure 3 (Contd.)

ROLE OF NBFCS ACROSS DIFFERENT FORMS OF FINANCING

MSME Financing

NBFCs are preferred by MSMEs because of their ability to not only complement but also substitute banks for reaching remote areas, quick decision-making, and availing prompt services and expertise in niche segments. Moreover, the financial institutions have started to acknowledge the cash flow-based lending approach, instead of asset-based secured lending, to solve credit-related challenges faced by MSMEs. With new businesses and start-ups mushrooming across the country, NBFCs are developing technological edge to analyse borrowers' business data and gauge financial health of the prevailing and future businesses.

Auto Loans Financing

According to India Ratings, the domestic automobile is expected to witness an annual growth of 5 to 9% in sales volume for 2022-23 – following three consecutive years of a declined growth rate. This would be driven by an intermittent improvement in consumer sentiments and continued preference for personal mobility. There exists challenges amidst risks of supply chain disruptions and shortage of semi-conductors. Growth in sales of commercial vehicles would be driven by improvement in economic activities and infrastructure spending. The NBFCs enable vehicle financing to the remotest corners of the country.

Gold Loans Financing

The gold loan segment may record moderate growth in tandem with gold prices along with opening up of other financing avenues for borrowers.

Housing Loans Financing

According to ICRA, housing finance companies are likely to witness a portfolio growth of 9-11% in 2022-23, owing to increasing economic activity, lucrative interest rates and stability in property prices.

HUMAN RESOURCES

At SCUF, we continue to invest in the professional and personal well-being of our 27,997 employees. We are committed to creating a work environment that is diverse, inclusive, and positive, regardless of gender, age, ethnicity and background. Even during the pandemic, we proactively adopted work-from-home while also providing basic and necessary infrastructure to our employees.We took various measures to provide a safe work environment on resumption of working from office. This included implementation of flexible work arrangements, use of video conferencing platforms, cleansing, disinfecting and sanitising measures at premises. We quickly adapted to technological changes, market changes and expectation of our customers. It is vital that our employees stay abreast of the latest industry developments and be future-ready. We conducted several workshops and seminars to align our employees with the rapidly changing business environment. This has allowed us to set long-term growth objectives and build career growth plans for every individual associated with the organisation. Company continues to ensure employee-friendly policies for smooth working.

RISK MANAGEMENT

At SCUF, risk management forms the centre of our business strategy. We aim to consistently protect the interest of our customers, colleagues, shareholders, and the Company, while ensuring a sustainable growth. This is achieved through informed decision-making and robust risk management, supported by a consistent risk-focused culture. Our risk management framework is structured to align with the industry-accepted internal controls framework and standards. The maintenance of a strong control framework is of high priority and forms the foundation for the delivery of effective risk management. The Company is committed to ensuring its risk management practices reflect a high standard of governance, enabling the Management to effectively undertake prudent risk-taking activities. Our framework and de-risking policies are supported by standards, guidelines, processes, procedures, and controls that govern day-to-day activities in the Company's businesses. These policies are reviewed and approved by the Board Committees and the Senior Management. It encompasses independent identification, assessment, and management of risk across businesses verticals. The comprehensive risk management policies and processes help in identification, evaluation, and management of business risks, effectively. The Risk Management Committee has identified and categorised major risk classes encompassing Credit, Market, legal and regulatory, operational, liquidity, interest rate, cyber security and information technology risks, strategic risk, economic risk among other significant risks.

Management Discussion and Analysis

Annexure 3 (Contd.)

OUR RISK MANAGEMENT FRAMEWORK

KEY RISKS AND MITIGATION

Risk Type and Definition	Mitigation
Credit Risk The risk of potential loss arising from the failure of borrowers and/or counterparties to meet their contractual obligations. The Company is exposed to credit risk from the lending activities.	• With over three decades of experience, the Company manages credit risk through strict credit norms and with robust procedure. • We implemented a robust credit appraisal process for all business segments, simultaneously putting in place commensurate risk mitigation practices. • We implemented underwriting of borrowed capital, keeping in mind the inherent cash flows of the customers and by taking effective inputs from credit bureaus' information reports. • We undertake regular stress testing and scenario analysis of the entire credit portfolio to implement corrective actions. • We use defined credit ratings from established credit rating agencies as mandated by our process, to make portfolio investment decisions with systematic tracking of the portfolio. • We take appropriate risk exposures through rigorous analysis of the counterparty fundamentals, industry, and sectoral risks. • We ensure portfolio risk concentration through implementation of prudent allocation strategies across different asset classes, industry sectors, geographical regions, single liability, and joint liability groups.

Management Discussion and Analysis

Annexure 3 (Contd.)

Risk Type and Definition	Mitigation
Market Risk The risk surrounding earnings and capital, arising from changes in the interest rates, credit spreads, foreign exchange rates, commodity prices, among others.	• The Company's market risk management is governed by a set of framework, policies and processes that are subject to regular reviews to ensure overall relevance to the current market practices and regulatory guidelines. • We implemented the Asset Liability Management Committee (ALCO) for frequently monitoring market movements, Government policy decisions, changes in regulatory scenario affecting the NBFC space, and tweak the strategies accordingly. Thereon, operationalising in a prudent and timely manner. • We proactively monitor the market risks and accordingly de-risk loan book portfolio through a well-organised Market Risk Management System. • We periodically simulate impact arising from sudden market shocks, through rigorous stress testing of the portfolio across asset classes.
Operational Risk The risk of loss resulting from inadequate or failed internal process, people, systems, organisation, regulatory and internal compliance or from external events.	• The Company has an operational risk framework in place that assists all departments to achieve their objectives through the effective identification, assessment, measurement, control, and mitigation of risk. • Our state-of-the-art corporate governance practices, code of conduct, corporate ethos and organisation-wide approach for risk management are the pillars for mitigating operational risks. • We initiated need-based systematic reviews with regular updates to the internal controls and systems. • We initiated several systematic skill development programs and seminars to ensure organisation-wide standard and homogeneous potent workforce. • We have standard operating procedures and structure in place to ensure improved governance on transactions, portfolio assessment and regulatory compliance. • We enable risk-oriented audit procedures at systematic intervals across all departments to reduce enterprise risk exposure. • We conduct regular stress testing and audits of the Disaster Recovery (DR) plan and Business Continuity Plan (BCP), to assess the Company's preparedness against contingencies. • We ensure data security and data recovery through efficient contingency plans in place, against potential 'force majeure' contingencies.

Management Discussion and Analysis

Annexure 3 (Contd.)

Risk Type and Definition	Mitigation
Interest Rate Risk The risk arising from a financial loss, owing to unfavourable interest rates for both lending and treasury operations. It has a significant influence upon a company's net-interest income and profitability.	• The Company has put in place extensive policies and procedures to ensure that the assets and liabilities exposure are within the stipulated regulatory guidelines. • We enable rate-sensitive asset-liability maturity analysis to assess correlation of the loan book maturity profiles to interest rate fluctuations. • We set the interest spreads through categorisation of the entire gamut of assets and liabilities into several time-periods by synchronising them with contracted maturities or anticipated re-pricing dates. The difference between assets and liabilities maturity, or it being repriced at any time period, indicates the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities.
Liquidity Risk The risk that arises from the Company's inability to meet its financial obligations as and when the need arises/within pre-determined timelines.	• The Company's liquidity risk management is governed by a set of framework, policies, and processes, as approved by the ALCO. • We adopted extensive range of liquidity risk management policies, procedures, and controls. • We manage liquidity in alignment to the Asset Liability Management (ALM) policies and operating procedures. • We created maturity ladder, and use of cumulative surplus/deficit of funds calculation technique on any specific maturity date, standardise determination of liquidity risk. • We have a contingency plan in place for liquidity management in case of crisis. • We proactively monitor capital adequacy and asset exposure levels, to assess potential funding requirements. • We created diversified source of funding including borrowings from banks, financial institutions, capital markets and public (fixed) deposits to facilitate flexibility in meeting funding requirements. • We ensure systematic cash management and asset-liability management training programs, to solidify the Company's financial position in the long-run.

Management Discussion and Analysis

Annexure 3 (Contd.)

Risk Type and Definition	Mitigation
Information Technology Risk The risk arising as a result of IT infrastructural failure or data loss/threats causing operational setback and financial losses.	• We deployed state-of-the-art technology infrastructure and platform for processing of business information systems. • The Company has deployed efficient IT risk management mechanism with adequate measures, check, and controls. • We conduct systematic security drills and employee awareness programs. • We deployed Security Operations Centre (SoC) to secure IT infrastructure and network architecture on a 24x7 basis – identifying both internal and external threats, conducting disaster recovery drills in a systematic manner to achieve better Recovery Point Objective (RPO) and Recovery Time Objective (RTO) and undertaking rigorous security tests and evaluations prior to launching any application – to assure zero prospective loss to the customers or the organisation. • We regularly conduct vulnerability assessment and penetration testing, using internal resources and under the guidance of external experts. • We have drawn upon a contingency plan for rendering crucial business functions to customers, amid any functional section turning out to be non-functional at any point of time.
Cyber Security Risk The risk arising out of cyber-attacks and hacking, owing to increased usage of internet and digital means.	• The Company has deployed an effective and secure cybersecurity framework to manage threats. • We safeguard critical assets from cyber-attacks through our 24X7 Security Operations Centre (SoC) • We have systematically invested in installing state-of-the-art security system and hired professionals to ensure highest standards of preparedness against any cybersecurity threat. • We established security framework, policies and procedures aligned with best-in-class industry standards to protect information across all strata of the organisation. • We conduct all-inclusive security training programs and workshops for higher awareness on cyberattack incidents, such as malware, phishing, ransomware, spoofing, and more. • We procured ISO 27001 certification for Information Security Management System framing policies and procedures, on IT framework, covering all IT processes. • We installed Email Threat Prevention (ETP) services to quarantine potential e-mail threats in advance. • We conduct regular penetration tests to assess vulnerabilities in the IT infrastructure and network. • We scrutinise fraud protection measures for authentication of risk-based transactions.

Management Discussion and Analysis

Annexure 3 (Contd.)

INTERNAL AUDIT

The Audit Committee and Risk Management Committee encompassing members from the Board of Directors appraises performance of the Internal Audit function of the Company which helps to effectively control and adhere to the regulatory compliance guidelines laid out depicting highest standards of governance followed in the Company.

The Internal Control System of the Company is proportionate to its size, scale, nature, and complexity of operations. The Company conducts its internal audit within the parameters of regulatory framework through execution of annual internal audit plan. The Internal audit department carries out specific assessments laid by the management under existing regulations to monitor adequacy, efficacy and adherence to the internal controls, processes, and procedures. This helps in conservation of Company's assets.

The Company adopts Risk-based approach of Internal Audit (RBIA). The vital focus of this system is to focus on key risk areas of importance with main emphasis on risks that has extensive impact.

The Internal Audit department reports to the Audit Committee for Audit Planning & Reporting. The relevant audit reports are circulated to the management teams and the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Company has in place an effective internal control system to synchronise its business processes, operations, financial reporting, fraud control, and compliance with extant regulatory guidelines and compliance parameters. Strict internal control and systems are devised as a depiction of the principles of the highest standards of governance. The Company ensures that a standard and effective internal control framework operates throughout the organisation, providing assurance about safekeeping of the assets and execution of transactions as per the authorisation in compliance with the internal control policies of the Company. This confirms orderly and effective conduct of its business, including adherence to the Company's policies, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The internal financial controls with reference to the financial statements were adequate and operating effectively.

The Management periodically reviews the framework, efficacy, and operating effectiveness of the Internal Financial Controls of the Company, broadly in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO").

CAUTIONARY STATEMENT

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include national and global effect of economic conditions, political conditions, volatility in interest rates, changes in regulations and policies impacting Company's businesses and other related factors. The information contained herein is as referred. The Company does not undertake any obligation to update these statements. The Company has obtained the data and information referred here from sources believed to be reliable or from it's internal estimates, the accuracy or completeness of which cannot be guaranteed.

Compliance Certificate By CEO / CFO

Annexure 4

To

The Board of Directors

Shriram City Union Finance Limited

Chennai

We, Y S Chakravarti, Managing Director and Chief Executive Officer and Sri Ramasubramanian Chandrasekar, Executive Director and Chief Financial Officer of M/s Shriram City Union Finance Limited ("Company") pursuant to Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the best of our knowledge and belief, certify that

(i) we have reviewed the Balance Sheet as at March 31, 2022 and statement of Profit and Loss for the year ending on same date, Cash Flow statement as on the same date and the notes there to (together known as financial statements).

(ii) these financial statements do not contain any materially untrue statement or omit any material fact or they contain statements that might be misleading.

(iii) these financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(iv) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(v) we accept responsibility for establishing and maintaining internal controls for financial reporting of the Company.

(vi) we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.

(vii) there are no deficiencies in the design or operation of internal controls which are to be disclosed to the auditors and/or to the Audit and Risk Management Committee.

(viii) we have indicated to the auditors of the Company and the Audit and Risk Management Committee that there were

a) no significant changes in internal control over financial reporting during the year covered by this report;

b) no significant changes in accounting policy has been made during the year covered by this report;

c) no significant instances of fraud detected during the year except the frauds reported in Notes to Accounts.

Yalamati Srinivasa Chakravarti
Managing Director and Chief Executive Officer
DIN - 00052308

Ramasubramanian Chandrasekar
Chief Financial Officer

Place : Chennai
Date : April 29, 2022

Form No. AOC - 2

Annexure 5

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARMS LENGTH TRANSACTIONS UNDER THIRD PROVISO THERETO

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT ARM'S LENGTH BASIS

Sl. No.	Particulars	Remarks
a)	Name (s) of the related party and nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions	-
f)	Date(s) of approval by the Board	Not applicable
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not applicable

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS

Sl. No.	Particulars	Remarks
a)	Name (s) of the related party and nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e)	Date(s) of approval by the Board	Not applicable
f)	Amount paid as advances, if any	-

Annexure 6

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as at March 31, 2022.

PARTICULARS			SCUF Employees Stock Option Scheme, 2006
Date of shareholder's approval			October 30, 2006
a)	Options Granted		13,55,000 equity shares of ₹ 10/- each
	Vesting requirements		Options granted shall be vested after the period of one year from the date of grant
b)	Exercise price		₹ 35/- per option
	Maximum term of options granted		Options granted can be vested after the gap of a one Year and the vested options can be exercised within a period 10 Years
	Source of shares		Primary
c)	Options vested		13,55,000
d)	Options exercised		13,44,140
	Number of options outstanding at the beginning of the period		10,860
	Number of options granted during the Year		-
	Number of options forfeited / lapsed during the Year		-
	Number of options vested during the Year		-
	Number of options exercised during the Year		-
e)	Number of shares arising as a result of exercise of option		-
f)	Options lapsed		-
g)	Variation of terms of options		-
h)	Money realized by exercise of options		-
	Number of options outstanding at the end of the Year		10,860
	Number of options exercisable at the end of the Year		10,860
i)	Total number of options in force		10,860
j)	Employee wise details of options granted to:		
	i)	Senior Management Personnel	-
	ii)	Any other employee who receives a grant of option amounting to 5% or more of option granted	-
	iii)	identified employees who were granted option equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-
k)	Diluted earnings per share (EPS) pursuant to issue of Shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'		₹ 163.17
	i)	Method of calculation of employee compensation cost	Intrinsic value method
	ii)	Difference between the employee compensation cost so calculated at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	Fair Value method (Using Black Scholes Model): ₹ 30.82 crores Intrinsic Value method: ₹ 30.69 crores Difference in cost :₹ 0.13 crores
	iii)	The impact of this difference on profits and on EPS of the Company	Fair Value method - (Using Black Scholes Model) Intrinsic Value method - Not Applicable Impact on Profit - Not Applicable Impact on Diluted EPS - Not Applicable
l)	Weighted average exercise price		₹ 35.00
	Weighted average fair value		₹ 227.42

Annexure 6 (Contd.)

PARTICULARS		SCUF Employees Stock Option Scheme, 2006
m)	Fair value of options based on Black Scholes methodology	
	Assumption risk free rate	7.67%
	Expected life of options (in Years)	5
	Expected volatility (based on Monthly Volatility of the Company's stock price on the NSE)	55.36%
	Expected Dividends per share	₹ 3.00
	Closing market price of share at NSE on date of option granted	₹ 261.45

PARTICULARS		SCUF Employees Stock Option Scheme, 2013
Date of shareholder's approval		May 31, 2013
a)	Options Granted	26,27,000 equity shares of ₹ 10/- each
	Vesting requirements	Options granted shall be vested after the period of one year from the date of grant
b)	Exercise price	₹ 300/- per option
	Maximum term of options granted	Options granted can be vested after the gap of a one Year and the vested options can be exercised within a period 10 Years
	Source of shares	Primary
c)	Options vested	18,23,100
d)	Options exercised	
	Number of options outstanding at the beginning of the period	9,10,543
	Number of options granted during the Year	9,07,453
	Number of options forfeited / lapsed during the Year	4,925
	Number of options vested during the Year	
	Number of options exercised during the Year	6,22,994
e)	Number of shares arising as a result of exercise of option	6,22,994
f)	Options lapsed	4,925
g)	Variation of terms of options	-
h)	Money realized by exercise of options	₹ 18,68,98,200
	Number of options outstanding at the end of the Year	11,89,987
	Number of options exercisable at the end of the Year	11,89,987
i)	Total number of options in force	11,89,987
j)	Employee wise details of options granted to:	
	i) Senior Management Personnel	Mr. Chitta Ranjan Dash, Company Secretary Grant I to VI - 1200 shares for each Grant
	ii) Any other employee who receives a grant of option amounting to 5% or more of option granted	Nil
	iii) identified employees who were granted option equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
k)	Diluted earnings per share (EPS) pursuant to issue of Shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	₹ 163.17
	i) Method of calculation of employee compensation cost	Fair Value Method
	ii) Difference between the employee compensation cost so calculated at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	Not Applicable, as Fair value method is followed
	iii) The impact of this difference on profits and on EPS of the Company	Not Applicable, as Fair value method is followed

Annexure 6 (Contd.)

PARTICULARS		SCUF Employees Stock Option Scheme, 2013
l)	Weighted average exercise price	₹ 300.00
	Weighted average fair value	₹ 1125.66
m)	Fair value of options based on Black Scholes methodology	Grant I – ₹ 399.20 Grant II – ₹ 560.18 Grant III – ₹ 756.39 Grant IV – ₹ 1539.79 Grant V – ₹ 1985.23 Grant VI – ₹ 1517.66
	Assumption risk free rate	Grant I – 5.85% Grant II – 5.88% Grant III – 6.20% Grant IV – 4.48% Grant V – 4.82% Grant VI – 5.03%
	Expected life of options (in Years)	10 Years from the vesting date.
	Expected volatility (based on Monthly Volatility of the Company's stock price on the NSE)	Grant I – 38.28% Grant II – 44.52% Grant III – 47.21% Grant IV – 27.52% Grant V – 49.85% Grant VI – 53.76%
	Expected Dividends per share	Nil
	Closing market price of share at NSE on date of option granted	Grant I – ₹ 661.80 Grant II – ₹ 822.75 Grant III – ₹ 1018.70 Grant IV – ₹ 1814.10 Grant V – ₹ 2257.45 Grant VI – ₹ 1787.90

Annexure 7

R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants
New No. 6, Krishnaswany Avenue, Luz,
Mylapore, Chennai – 600 004.

ABARNA AND ANANTHAN
Chartered Accountants
521, 3rd Main Rd, 2nd Phase,
6th Block, Banashankari, Bengaluru - 560085

The Members,

Shriram City Union Finance Limited

This is to certify that the 'SCUF Employees Stock Options Scheme 2006' ("the 2006 ESOP scheme") and 'SCUF Employees Stock Options Scheme 2013' ("the 2013 ESOP scheme") of Shriram City Union Finance Limited (CIN – L65191TN1986PLC012840), has been implemented in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolution passed by the Company at its Extraordinary General Meeting held on October 30, 2006 and May 31, 2013 wherein the aforesaid 2006 ESOP scheme and 2013 ESOP scheme were approved by the shareholders respectively.

This Certificate is issued under Regulation 13 of the Securities and Exchange Board of India (Share based Employee benefits) Regulations, 2014.

For R Subramanian and Company LLP
Chartered Accountants
FRN : 04137S / S200041

CA K Jayasankar
Partner
M No. 014156
UDIN : 22014156AIBOUT9841
Place : Chennai
Date : April 29, 2022

For Abarna and Ananthan
Chartered Accountants
FRN : 000003S

CA (Smt) Lalitha Rameswaran
Partner
M No. 207867
UDIN : 22207867AIBIBF6407

Annexure 8

DISCLOSURE UNDER RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The remuneration of Sri Ramasubramanian Chandrasekar, Chief Financial Officer ("CFO") and Sri C R Dash, Company Secretary ("CS") during Financial Year 2021-22 ("FY22") were ₹ 0.63 crores and ₹ 1.13 crores respectively. There was an increase of 16.67% in the remuneration of Sri Ramasubramanian Chandrasekar, CFO and increase of 101.79% the remuneration of Sri C R Dash, CS during 2021-22.

The percentage increase in the median remuneration of employees in the 2021-22 was 6.39% (2020-21 : 2.68%)

The total number of employees on the rolls of the Company as on March 31, 2022 was 27,997 (March 31, 2021 : 24,963).

The average percentile increase in salaries of employees of the Company other than key managerial personnel in 2021-22 was 13%. Average increase in key managerial remuneration was 49%. There were no exceptional circumstances for increase in the managerial remuneration.

INFORMATION AS REQUIRED UNDER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

EMPLOYEES IN RECEIPT OF REMUNERATION OF NOT LESS THAN ₹ 1.02 CRORES PER ANNUM

Financial Year: 2021-22

Name of the employee	Designation	Remuneration* (₹ in crores)	Nature of employment, whether contractual or otherwise	Qualifications	Experience (in Years)	Date of commencement of employment	Age (in Years)	Last employment held before joining the Company	Relationship with Director/ Manager of the Company
Venkateswara Rao V	Executive Director	1.80	Permanent	B.Sc/ M.Sc	34	01-Jul-1994	63	Shriram Chits Private Limited	No
Niranjan Rao V	Executive Director	1.79	Permanent	B.Com /M.Com	29	01-Sep-1993	57	Shriram Chits Private Limited	No
Ramachandran Nair	Business Head	1.79	Permanent	BA, PGDBM	28	12-Mar-2010	53	Fullerton India Credit Co Limited	No
Prasad V	Executive Director	1.77	Permanent	B.Com	31	08-Jan-2007	55	Shriram Chits Private Limited	No
Narasa Reddy P	Executive Director	1.71	Permanent	B.Sc	29	01-Apr-1993	56	Shriram Chits Private Limited	No
Siddhartha Pakrasi	Business Head	1.70	Permanent	B.Com, PGDM	25	27-Jun -2011	48	Hong Kong and Shanghai Banking Corporation	No
Praveen Kumar V	Executive Director	1.62	Permanent	B.Com, PGDM	28	01-Jun-2007	51	Shriram Chits P Limited	No
Parikshit Kapoor	Zonal Head - Sales	1.56	Permanent	M.B.A	19	14-Feb-2017	43	ICICI Bank Limited	No
Swapneel Patil	Head - Operations	1.26	Permanent	B.E, MMS	24	25-Mar-2013	48	Fullerton India credit Co Limited	No
Chitta Ranjan Dash	President and Company Secretary	1.13	Permanent	B.Com, CS,CA	33	16-April-2009	58	Prithivi Information solutions	No

Annexure 8 (Contd.)

TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN

Financial Year : 2021-22

Sl. No.	Name of the employee	Designation	Remuneration* (₹ in crores)	Nature of employment, whether contractual or otherwise	Qualifications	Experience (in Years)	Date of commencement of employment	Age (in Years)	Last employment held before joining the Company	Relationship with Director/ Manager of the Company
1	Venkateswara Rao V	Executive Director	1.80	Permanent	B.Sc/ M.Sc	34	01-Jul-1994	63	Shriram Chits Private Limited	No
2	Niranjan Rao V	Executive Director	1.79	Permanent	B.Com /M.Com	29	01-Sep-1993	57	Shriram Chits Private Limited	No
3	Ramachandran Nair	Business Head	1.79	Permanent	BA, PGDBM	28	12-Mar-2010	53	Fullerton India Credit Co Limited	No
4	Prasad V	Executive Director	1.77	Permanent	B.Com	31	08-Jan-2007	55	Shriram Chits Private Limited	No
5	Narasa Reddy P	Executive Director	1.71	Permanent	B.Sc	29	01-Apr-1993	56	Shriram Chits Private Limited	No
6	Siddhartha Pakrasi	Business Head	1.70	Permanent	B.Com, PGDM	25	27-Jun -2011	48	Hong Kong and Shanghai Banking Corporation	No
7	Praveen Kumar V	Executive Director	1.62	Permanent	B.Com, PGDM	28	01-Jun-2007	51	Shriram Chits P Limited	No
8	Parikshit Kapoor	Zonal Head - Sales	1.56	Permanent	M.B.A	19	14-Feb-2017	43	ICICI Bank Limited	No
9	Swapneel Patil	Head - Operations	1.26	Permanent	B.E, MMS	24	25-Mar-2013	48	Fullerton India credit Co Limited	No
10	Chitta Ranjan Dash	President and Company Secretary	1.13	Permanent	B.Com, CS,CA	33	16-April-2009	58	Prithivi Information solutions	No

Annual Report on Corporate Social Responsibility Activities for the Financial Year Ended on March 31,2022 ("2021-22")

Annexure 9

1. **Brief outline on CSR Policy of the Company.**

   Shriram City Union Finance Limited ("Company") formulated a policy named "Corporate Social Responsibility ("CSR") Policy in line with Section 135 of the Companies Act 2013 ("CA13"), Schedule VII to CA13 and Companies (Corporate Social Responsibility Policy) Rules 2014. The Company's CSR Projects/Activities are carried on by the Company directly or through implementing agency as approved from time to time by the CSR Committee in accordance with CSR policy of the Company.

   The CSR spend is planned in advance keeping in view the amount required to be spent specified under the Companies Act 2013, CSR Policy, scalability and other related matters. The CSR projects of the Company during 2021-22 were undertaken on education, skill development, livelihood, health care and art and culture. The Company is open to join hands with other implementing agencies for optimal use of resources and skill. The CSR policy of the Company continues to be displayed on the website of the Company. (Refer Table – 1)

2. **Composition of CSR Committee**

S No	Name of the Director/ Designation	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i	Smt Maya S Sinha, Chairperson	NE, I	3	3
ii	Sri Debendranath Sarangi, Member	NE, I	3	3
iii	Sri Yalamati Srinivasa Chakravarti, Member	E, NI	3	3

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company. https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Corporate_Social_Responsibility_Policy.zip and https://www.shriramcity.in/about-us#communityservice

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) - Not Applicable**

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ In lakh)	Amount required to be set off for the financial year, if any (₹ In lakh)
	TOTAL		

6. **Average net profit of the Company as per section 135(5) - ₹ 1,416.96 crores**

7. **(a) Two percent of average net profit of the Company as per section 135(5) - ₹ 28.34 crores**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. -

   (c) Amount required to be set off for 2021-22, if any - Nil

   (d) Total CSR obligation for 2021-22 (7a+7b-7c).

Annexure 9 (Contd.)

8. (a) CSR amount spent or unspent for 2021-22:

Total Amount Spent for 2021-22. (₹ in crores)	Amount Unspent (₹ in crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
28.35	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for 2021-22:

Amounts (₹ in crores)

(1)	(2)	(3)	(4)	(5)		6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the Project		Project duration	Amount allocated	Amount spent in 2021-22	Amount transferred to Unspent CSR Account [Ref: Section 135(6)]	Mode of Implementation - Direct/ Implementing Agency (Yes/No).	Direct	
				State.	District.						Direct	CSR Registration Number.
1	2-wheeler automotive program - Pratham Foundations	Skill Development		HP	Bilaspur	Yearly	2.36	2.69		IA – Pratham Education Foundation		CSR00000258
				TN	Chennai							
				MP	Jabalpur							
				UP	Kanpur							
				UP	Muzaffarpur							
				TLG	Warangal							
2	Ramakrishna Mission Polytechnic College	Promoting Education		TN		Yearly	1.76	1.77		IA – Ramakrishna Mission Students Home		CSR00006101
3	Swami Vivekananda Rural Development Society -Single Teacher Schools	Education		TN		Yearly	2.00	2.00		IA Swami Vivekananda Rural Development Society		CSR00001905
4	Shriram Matriculation School - Tiruneermalai	Education		TN		Yearly	1.6	1.17		IA Shriram Foundations		CSR00010975
5	Shriram High School - Vijayawada	Education				Yearly	0.40	0.30		IA Shriram Foundations		CSR00010975
6	Chennai Mathematical Institute	Education		TN		Yearly	8.00	8.00		IA – CMI		CSR00001760
7	South India Club	Art & Culture				Yearly	4.77	7.50		IA SIC		CSR00017910
8	Ekadaksha Trust	Skill Development				Yearly	0.02	0.02		IA Ekadaksha		CSR00004698
TOTAL							**21.21**	**23.45**				

Annexure 9 (Contd.)

(c) Details of CSR amount spent against other than ongoing projects for 2021-22:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project.**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/No).**	**Location of the project.**		**Amount spent for the project (₹ in crores).**	**Mode of implementation on - Direct (Yes/No).**	**Mode of implementation - Through implementing agency**	
				State.	**District.**			**Name**	**CSR Registration number**
1	Pratham Mody Technical Institute	Skill Development		AMH	Ahmed Nagar	2.00	IA – Pratham Foundations		CSR00000258
2	Viveka Tirtha (Ramakrishna Mission)	Art & Culture		WB	Kolkata	2.50	IA – Ramakrishna Mission Students Home		CSR00006101
3	Toilet cum Bathroom (TCB project) (Swami Vivekananda Rural Development Society)	Healthcare & Hygiene		TN	Multiple	2.25	IA – Vivekananda Rural Development Society		CSR00001905
4	The Art of Living Free Schools	Education		Raj, MP & Odi		0.50	IA		CSR00002469
5	The Indian Red Cross Society	Healthcare & Hygiene		AP	Guntur	0.09	IA		CSR00020705
6	Sri Vidya Mandir Mat School,	Education		TN	Nagapattinam	0.50			CSR00000683
7	Skill Training Program for women (Single Teacher Schools)	Skill Development		TN	Tiruvallur	0.33			CSR00001905
8	Nethrodaya - Mugapair, Chennai	Healthcare & Hygiene		TN	Chennai	0.06			CSR00017927
TOTAL						**8.23**			

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable - No

(f) Total amount spent for 2021-22 (including amount paid from CSR Unspent A/c FY2020-21) - ₹ 31.68 crores

(8b+8c+8d+8e)

(g) Excess amount for set off, if any –

Sl. No.	Particular	Amount ₹ in crores
(i)	Two percent of average net profit of the Company as per section 135(5)	28.34
(ii)	Total amount spent for the Financial Year (excluding amount paid from CSR Unspent A/c FY2020-21)	28.35
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.01
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.01

Annexure 9 (Contd.)

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.							
2.							
3.							
	TOTAL						

(b) Details of CSR amount spent in 2021-22 for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). – Not applicable

(b) Amount of CSR spent for creation or acquisition of capital asset. – Not applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – Not applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – Not applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). – Not Applicable

Sd/-
Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director and Chief Executive Officer

Sd/-
Maya S Sinha
DIN – 03056226
Chairperson – CSR Committee

Annexure 10

DECLARATION ON CERTIFICATE OF INDEPENDENCE FROM INDEPENDENT DIRECTORS

I hereby confirm that the Company has received from each of the independent directors namely Sri Debendranath Sarangi, Sri Diwakar B Gandhi, Smt Maya S Sinha, and Sri Venkataraman Murali certificate stating his/her independence as required under section 149 (6) of the Companies Act, 2013.

Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director and CEO

Place : Chennai
Date : April 29, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

SHRIRAM CITY UNION FINANCE LIMITED

123, ANGAPPA NAICKEN STREET,

CHENNAI – 600001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shriram City Union Finance Limited having CIN L65191TN1986PLC012840 and having registered office at 123, Angappa Naicken Street, Chennai – 600001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment at Current Designation in the Company
1.	Debendranath Sarangi	01408349	January 28, 2015
2.	Yalamati Srinivasa Chakravarti	00052308	July 1, 2019
3.	Diwakar Bhagwati Gandhi	00298276	April 1, 2019
4.	Duruvasan Ramachandra	00223052	June 6, 2012
5.	Ignatius Michael Viljoen	08452443	July 29, 2019
6.	Maya S Sinha	03056226	May 28, 2015
7.	Shashank Singh	02826978	October 28, 2015
8.	Umesh Govind Revankar	00141189	December 14, 2021
9.	Venkataraman Murali	00730218	December 1, 2011

Annexure 10 (Contd.)

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SPNP & Associates
Nithya Pasupathy
Certificate of Practice No – 22562
Membership No. - F10601
UDIN : F010601D000226564

Place : Chennai
Date : April 28, 2022

Annexure - 11

DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and designated senior management employees of the Company affirmation that they have complied with "Code of Conduct for Board Members and Senior Management" ("Code") of the Company during the year ended March 31, 2022.

Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director and CEO

Place : Chennai
Date : April 29, 2022

Annexure -12

POLICY ON APPOINTMENT, REMUNERATION AND DIVERSITY OF BOARD

1. Background :

Companies Act 2013 ("CA13") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") require the Nomination and Remuneration Committee of a company to recommend to the Board and the Board to approve a Policy on Appointment, Remuneration and Diversity of Board ("Policy"). Regulations of Reserve Bank of India ("RBI") also requires NBFCs to have a policy on Fit and Proper criteria for appointment of Directors. .Accordingly, the Board of Directors ("Board") of M/s Shriram City Union Finance Limited ('Company") has approved this policy considering the recommendation of its Nomination and Remuneration Committee ("NRC").

2. Applicability :

This Policy covers the appointment, remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel of the Company and the performance appraisal of the Directors.

3. Definition :

All terms used in the Policy shall have the same meaning as ascribed to them under CA13, SEBI (LODR).

4. Objectives :

The objective of this policy is to stipulate criteria for

- Appointment, re-appointment, continuance, discontinuance and extension of term of directors KMPs and senior management
- Increase diversity at Board level and to make maximum use of the skills and industry experience of the directors.
- Retain, Promote, motivate and sustain talent in the Company
- Remuneration payable to the Directors, KMP and Senior Management personnel.
- Ensure the remuneration is reasonable, sufficient to attract and retain talents and is proportional to the effort, performance, dedication and achievement relating to the Company's operations of the concerned individual.
- Strike the balance between fixed component and variable incentive of remuneration.

5. Criteria For Appointment :

The appointment shall be based on the following criteria.

- Qualification, technical expertise, track record, and relevant experience for the concerned position
- Age, number of years of service, specialised expertise and period of employment or association with the Company.
- Special achievements and operational efficiency which contributed to growth in business in the relevant functional area.
- Constructive and active participation in the affairs of the Company.
- Exercising the responsibilities in a bona fide manner in the interest of the Company.

Policy On Appointment, Remuneration And Diversity Of Board

- Sufficient devotion of time to the assigned tasks.
- Diversity of the Board keeping in view the skills, qualification, experience in varied fields of finance, banking, administrative etc. of directors in different industry and other related matters.
- Having a valid Director Identification Number in case of a director and having name in the data base of the Indian Institute of Corporate Affairs in case of Independent Directors throughout the tenure in the Company.

Criteria For Remuneration:

The remuneration shall be sufficient based on the criteria of appointment mentioned above and shall be subjected to the limits mentioned below.

Annexure 12 (Contd.)

POLICY ON APPOINTMENT, REMUNERATION AND DIVERSITY OF BOARD

Category	Remuneration	Remarks
Whole-time Director & Managing Director	Basic Pay, allowances, Perquisites, Retirement benefits, ESOP and reimbursement of expenses incurred in performance of office duties	Subject to the ceiling limits prescribed under the CA13/ approval of Shareholders.
Director (other than Independent Director)	Sitting Fees and reimbursement of reasonable expenses for attending the meetings of Board and Committees, where such director is a member as decided by the Board from time to time.	Sitting Fees are subject to the applicable ceiling limits (not exceeding 1 lakh per meeting) prescribed under CA13.
Independent Directors	Sitting Fees of ₹ 75,000/- per meeting of the Board, per meeting of each Committee	
Senior Management Personnel/ KMP	Basic Pay, allowances, Perquisites, retirement benefits, ESOP reimbursement of expenses incurred in performance of office duties.	To be decided by the Managing Director based on appointee

The Managing Director shall decide about the remuneration of the executives based on the criteria set, subject to ceiling fixed under any applicable law at the time of appointment and shall decide about reasonable annual increase keeping in view the prevailing market condition, statutory requirements objectives/criteria and any other factor.

The following matters shall be brought to the attention of the NRC for evaluation and recommendation.

a. Remuneration to any person in excess of Rupees two crore per annum

b. Appointment / remuneration of Directors, KMPs, Senior management personnel.

Policy On Appointment, Remuneration And Diversity Of Board

The maximum remuneration payable to all the Directors/managerial personnel shall be capped as provided under Section 197,198, Schedule V of the Act.

On appointment, the Company shall issue appointment letter.

Process Of Evaluation:

The evaluation of the Board, Committee, Director and Chair Person shall be carried out at least once a year. The evaluation of performance of each independent director shall be done by all the directors except the concerned independent director. The evaluation of performance of non-independent directors shall be carried out by the Independent Directors. Independent Directors shall also evaluate the Board as a whole, the Chairperson of the Company, quantity and timeliness of flow of information. The evaluation shall be carried out through an evaluation sheet based on different criteria, i.e. qualification, experience, age, participation, attendance, knowledge, quality of discussion, beneficial contribution etc. The evaluation and the results thereof shall be confidential.

Performance Evaluation Of The Board/Committee:

Each director shall be provided with rating sheet on the pre set criteria. The rating sheet shall be filled in by each director with scores awarded by him/her and shall be handed over to the Company Secretary. The total score given by all the directors participating in the evaluation shall be totalled up and averaged out by dividing the total score with number of participating directors. Based on the average score, the Board may decide on the necessary improvemental activities to be under taken.

Performance Evaluation Of The Directors:

Each director shall be provided with rating sheet on the pre set criteria. The rating sheet shall be filled in by each director for all the directors except himself/herself with necessary details with scores awarded by him/her. The filled in rating sheet shall be handed over to the Company Secretary .The total score given by all the directors participating in the evaluation shall be totalled up and averaged out by diving the total with number of participating directors.

Outcome Of The Evaluation

The outcome of the evaluation shall be placed before the Board, NRC and before the meeting of Independent Directors.The NRC, Meeting of Independent Directors based on their observation of the awarded scores placed before them, can suggest to the Board for action,if any. Based on the recommendation of relevant Committee and based on its own observation, Board can decide about continuance, discontinuance and extension.

Annexure 12 (Contd.)

Effect And Revision:

This policy shall come into effect from April 1, 2022 and shall remain in force till amended by the Board with recommendation of the Committee. Any regulatory changes affecting this Policy shall prevail over this Policy.

DIVIDEND DISTRIBUTION POLICY

1. Preamble :

Dividend is the payment made by a company to its shareholders, usually in the form of distribution of its profits. The profits earned by a company can either be retained in business and/or be used for acquisitions, expansion, diversification, business growth or it can be distributed to the shareholders. A company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to balance between these. This Dividend Policy ("Policy") will guide dividend declaration and its pay-out by the Shriram City Union Finance Limited ("Company") in accordance with the provisions of Companies Act 2013 ("CA13"), Rules thereunder ("Rule") Secretarial Standard ("SS"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and any other applicable rules and regulations. The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all shareholders of the Company. The Board of Directors of the Company ("Board") will refer to the policy for declaring/ recommending dividends. This policy is framed as required under SEBI Circular No. SEBI/ LAD-NRO/GN/2016-17/008 dated July 8, 2016.

2. Applicability and Review :

It shall come into force with effect from April 1, 2022. Any change in applicable law, regulation shall prevail over this Policy. This policy shall be reviewed by the Board periodically for any changes or amendments. The Company has issued only Equity Shares and no Preference shares issued by the Company are outstanding.

3. Definitions :

i. Company : Shriram City Union Finance Limited

ii. Board : Board of Directors of the Company

iii. Current Financial Year : The financial year for which the dividend is declared/ recommended

iv. Dividend : Distribution of any sums to Members out of Profits of the Company and included both interim and final dividend

v. Dividend Pay Out Ratio: The percentage of dividend paid/recommended bears to Profit determined for Dividend purposes.

vi. Interim Dividend: Dividend declared by the Board

vii. Final Dividend: Dividend recommended by the Board and declared by the Members at an Annual General Meeting of the Company.

4. Category of Dividends :

The CA13 provides for two forms of Dividend - Final and Interim.

(i) Interim Dividend

The Board shall have the absolute power to declare interim dividend during a financial year, as and when it considers fit .The Board may endeavour to declare an interim dividend one or more times in a financial year after finalisation of quarterly/half yearly/yearly financial accounts based on the profits of the Company.

(ii) Final Dividend

The Final dividend shall be recommended to the shareholders/members of the Company by the Board after the annual financial statements are approved by the Board. The Board shall recommend the payment of Final Dividend to the shareholders/members for their approval as an ordinary business item of the Annual General Meeting. **If the Board declares more than one interim dividend in a financial year, the Board may recommend to the shareholder to treat the last interim dividend as a final Dividend.**

Annexure 12 (Contd.)

5. Factors to be considered for declaring Dividend :

The payment/recommendation of dividend is to determine the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. The Board considers a stable dividend to constitute an important element of the Company's investment attractiveness and shareholder return. As a leading Non banking finance Company operating in rapidly developing, yet volatile, markets, its primary need is to maintain sufficient resources and financial flexibility to meet financial and operational requirements. The Retained earnings strengthen the Company's net owned funds. It will further help in maintaining Capital Adequacy Ratio (CAR) for the Company. The Board from time to time will decide utilisation of the retained earnings for organic/inorganic growth, market competition, creating long term shareholder value etc. The Board will ensure judicious balancing of these factors in the interest of the Company and its stakeholders. The decision regarding recommendation/declaration of dividend will depend upon various external and internal factors including the following:

(i) External Factors:-

State of Economy - in case of uncertain or recessionary economic and business conditions, the Board will endeavour to retain larger part of profits to build up reserves to absorb future shocks.

Capital Markets - when the markets are favourable, dividend pay-out can be liberal. However, in case of unfavourable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Statutory and Contractual Restrictions- The Board needs to keep in mind the restrictions imposed under the Act and any other laws, the regulatory developments with regard to declaration of dividend, the Company's contractual obligations under the loan agreements / debenture trust deed and other agreements, documents, writings limiting / putting restrictions on dividend pay-out

(ii) Internal Factors:- In addition to the matters mentioned in CA13, regulations and this Policy, the following factors shall be considered.

Profitability, cash flow, cost of funds, business growth/expansion, diversification, additional investments, acquisition of business, modernisation and any other matter as may be decided by the Board from time to time.

The Shareholders of the Company may or may not expect dividend for a financial year(s) in the circumstances of (a) challenging/sluggish market conditions, (b) tough liquidity position, (c) losses/no profits/inadequate profits.

6. QUANTUM OF DIVIDEND :

Dividend shall be recommended/declared by the Board out of profits of the Current Financial Year of the Company. It shall not be recommended/paid out of Free Reserves or Profits of earlier financial years or both. No dividend shall be declared/ paid if there is default in redemption of debentures, payment of interest on debentures, creation of debenture redemption reserve, creation of capital redemption reserve, payment of dividend declared. The following matters shall be considered for determining the quantum of dividend. Company shall declare/recommend and disclose the Dividend on per share basis only

i) Current financial year's profit as determined for the purpose of Dividend in terms of applicable provisions of CA13.

ii) Transfer to reserves such amount as may be prescribed under the CA13, RBI regulation and other applicable regulation

The determination of dividend pay-out shall depend upon regulatory, internal and external factors .The Board may maintain a Dividend pay-out ratio (including the applicable dividend distribution tax) in the range of 20 – 25% or such other range as may be decided by the Board from time to time of profits after tax (PAT).

7. Process Payment of Dividend :

- The Company will give prior intimation of 2 working days to Stock Exchanges (excluding the date of intimation and the date of the Board meeting) of date of Board Meeting in which the declaration / recommendation of dividend will be considered.
- The Company will inform about the decision taken by Board regarding dividend to Stock Exchange within 30 minutes of the closure of the Board Meeting.

Annexure 12 (Contd.)

- The Company will fix **Record date** for the purpose of determination for list of shareholders eligible to receive dividend. Persons appearing as members in the register of members or benpose of the Company shall be entitled for Dividend.
- The intimation for fixing **Record date** shall be given to exchange at least seven working days in advance (excluding the date of intimation and the record date).
- Payment of Dividend shall be made through electronic mode or cheques or payable at par warrants. If dividend is payable by at par warrants or cheques they shall be sent by speed post, if it exceeds one thousand five hundred rupees. The Company shall be discharged of its responsibility of payment of Dividend on the amount debited to the Dividend Banking account of the Company with such dividend paying Bank.
- The dividend declared shall be deposited in a scheduled bank in a separate account within five days form the date of declaration of such dividend.

8. Unclaimed/Unpaid Dividend :

- Dividend declared by a Company remaining unpaid or unclaimed within 30 days from the date of declaration of Dividend, the Company shall within 7 days from the date of expiry of the said period of thirty days to a special account to be opened by the Company in any Scheduled bank to be called the Unpaid Dividend Account.
- Any money transferred to the Unpaid Dividend Account of a Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with Interest accrued, if any, thereon to the Fund established by the Central Government called the Investor Education and Protection Fund ("IEPF") and investors can claim refund from IEPF and not from Company.

Business Responsibility Report

Annexure 13

	BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED ON MARCH 31, 2022	
	SECTION A : GENERAL INFORMATION ABOUT THE COMPANY	
1	Corporate Identity Number (CIN) of the Company	L65191TN1986PLC012840
2	Name of the Company	Shriram City Union Finance Limited
3	Registered address	123, Angappa Naicken Street, Chennai - 600 001
4	Website	www.shriramcity.in
5	E-mail id	sect@shriramcity.in
6	Financial Year reported	2020-2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code-64990
8	List three key products/services that the Company manufactures/ provides (as on March 31, 2022)	Small Enterprise Finance, Two-wheeler loans, Personal loans, Loan against gold, Auto loans, Pre-owned two-wheeler loans and Loan against property.
9	Total number of locations where business activity is undertaken by the Company	
a)	Number of International Locations (Provide details of major 5)	Nil
b)	Number of National Locations	986
10	Markets served by the Company - Local /State/National/ International	National
	SECTION B : FINANCIAL DETAILS OF THE COMPANY	
1	Paid up Capital (₹ in Lakhs) (Consolidated)	6,662.80
2	Total Turnover (₹ in Lakhs) (Consolidated)	7,07,749.10
3	Total profit after taxes (₹ in Lakhs) (Consolidated)	1,16,474.67
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	2.83%
5	List of activities in which expenditure in 4 above has been incurred	Education, Health care, Welfare and Culture and skill development
	SECTION C : OTHER DETAILS	
1	Does the Company have any Subsidiary Company / Companies	Yes. M/s Shriram Housing Finance Limited
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	The Subsidiary does not participate in the BR initiatives of the Company
3	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? (Less than 30%, 30%-60%, More than 60%)	No other entity participates in the BR initiatives of the Company
	SECTION D : BR INFORMATION	
1	Details of Director/Directors responsible for BR	SriYalamati Srinivasa Chakravarti, Managing Director, DIN-00052308, Telephone No. +91 44 4392 5300, email id - md@shriramcity.com
a)	Details of the Director/Directors responsible for implementation of the BR policy/policies	
b)	Details of BR Head	

Business Responsibility Report

Annexure 13 (Contd.)

2. Principle-wise (as per NVGs) compliance with BR Policy(ies)

Sl	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	N	Y	N	N	Y	N	N	N
3	Does the policy conform to any national/ international standards? If yes, specify(50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board ? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board /Director official to oversee implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online	Refer to the Note below								
7	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency	Y	Y	Y	Y	Y	Y	Y	Y	Y

Yes ("Y") ,No ("N")

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 Business should promote the wellbeing of all employees

P4 Business should respect the interest of and be responsive towards all stake holders, especially those who are disadvantaged, vulnerable and marginalised

P5 Business should respect and promote human rights

P6 Business should respect, protect and make efforts to restore the environment

P7 Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Business should support inclusive growth and equitable development

P9 Business should engage with and provide value to their customers and consumers in a responsible manner

Business Responsibility Report

Annexure 13 (Contd.)

If answer to the question at serial number 1 against any principle, is 'No', please explain why : (Tick up to 2 options)

Answers to the question at 1 in the above table for all the Principles is Yes. So, explanation is not required.

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 year									
6	Any other reason (please specify)									

Notes for Sl no 3 to the above table : The policies are formulated based on applicable regulations/general practices and therefore the polices conform to national standards

Note for Sl no 6 to the above table: The web link for the policies of the Company are as follows https:// www.shriramcity.in/Investors----->Company Information--->Policies. The remaining policies are not displayed on the web site as they are internal to the Company

3. Governance related to BR

The Business Responsibility Policy constitute different policies of the Company. Those policies were implemented and the compliance of such policies were discussed in the meeting of the Board of Directors of the Company each quarter during 2021-22. This report is displayed on the web site as part of the Annual Report.

		SECTION E : PRINCIPLE - WISE PERFORMANCE	
1	P1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group / Joint Ventures / suppliers / Contractors / NGOs / Others?	Yes. It extends to Company only
2		How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.	Please refer to notes to accounts
1	P2	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities	The Company is a NBFC . This is not applicable
2		For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)	Not Applicable
a		Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain	Not Applicable
b		Reduction during usage by customers (energy, water) has been achieved since the previous year	Not Applicable
3	P2	Does the Company have procedures in place for sustainable sourcing (including transportation)	Not Applicable
a		If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Not Applicable
4		Has the Company taken any steps to procure goods and services from local & Small producers, including communities surrounding their place of work	The Company is a NBFC and Procures Goods locally ..The Company prefers employing from the same locality
		If yes, what steps have been taken to improve their capacity and capability of local and small vendors	
5		Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	No. Not Applicable.

Business Responsibility Report

Annexure 13 (Contd.)

		SECTION E : PRINCIPLE - WISE PERFORMANCE	
1	P3	Please indicate the Total number of employees	27997
2		Please indicate the Total number of employees hired on temporary/ contractual/ casual basis	362 as on March'22 Consultants on contract, Temporary &Casual –.Nil
3		Please indicate the Number of permanent women employees	3648
4		Please indicate the Number of permanent employees with disabilities	36
5		Do you have an employee associated that is recognised by management	No
6	P3	What percentage of your permanent employees is members of this recognised employee association	Not applicable
7		Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on end of the financial year	Nil
8		What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees,(b) Permanent Women Employees, (c) Casual/Temporary/Contractual Employees, (d) Employees with disabilities	All New Joinees and , (a) Permanent Employees – 53% of existing employees. (b) Permanent Women Employees –62% of existing employees.. (c) Casual/ Temporary/ Contractual Employees - Nil Employees with disabilities – 50% of existing Employees.
1	P4	Has the Company mapped its internal and external stakeholders	Yes
2		Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders	Yes
3		Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. Please refer to Note below.
1	P5	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs / Others	Yes. Only to Company
2		How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management	Please refer to the notes to accounts
1	P6	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others	Company
2		Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc. If yes, please give hyperlink for webpage etc.	Yes
3		Does the Company identify and assess potential environment risks	No
4		Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed	No
5		Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. If yes, please hyperlink for web page etc.	No
6		Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported	Not Applicable
7		Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil

Business Responsibility Report

Annexure 13 (Contd.)

		SECTION E : PRINCIPLE - WISE PERFORMANCE	
1	P7	Is your Company a member of any trade and chamber or association ? If yes, Name only those major ones that your business deals with	Yes. M/s South India Hire Purchase Association, M/s Madras Chamber of Commerce and Industry
2		Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. Governance and Administration
1	P8	Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. Refer Note below
2		Are the programmes/projects undertaken through in-house team/own foundation /external NGO/government structures / any other organisation?	Programmes/Projects are undertaken by the Company, in house, external NGOs and combination of these.
3		Have you done any impact assessment of your initiative	Yes
4		What is your Company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken	Please refer "ANNUAL REPORT ON CSR"
5		Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	Steps have been taken for community development through our lending activities and by our CSR activities
1	P9	What percentage of customer complaints / consumer cases are pending as on the end of financial year.	Please refer to the notes to accounts
2		Does the Company display product information on the product label, over and above what is mandated as per local laws	Not Applicable
3		Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti -competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4		Did your Company carry out any consumer survey/ consumer satisfaction trends?	No

Notes

P4.3: A significant number of our borrowers belong to low income group and persons not having access to formal line of credit. This is our special initiative to identify such borrowers and meet their credit requirement. We also meet the education and welfare need of marginalised persons through our corporate social responsibility activity.

P8.1:The Company is driven by one of it's objective of financial inclusiveness, in which the financial needs of persons not having access to formal banking system are provided with finance. This in turn contributes to inclusive growth and equitable development

SECTION E

PRINCIPLE -WISE PERFORMANCE

Business Responsibility ("BR") of the Company takes into consideration the principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business ("NVG"). To enable it further, the Company has got Policies, Framework, Codes, Management Systems and Monitoring tools. The BR matters are monitored by the respective functional heads of the Company

Principle 1: Businesses should conduct and govern themselves with Ethics, transparency and accountability

The Company is governed with ethics, transparency, accountability and in compliance with applicable laws. Corporate Governance of the Company reflects ethics, transparency and accountability The Code of Conduct for Board Members

Business Responsibility Report

Annexure 13 (Contd.)

and Senior Management ("CCBS") governs the conduct of Directors and Senior Management personnel and they confirm adherence to the CCBS annually. CCBS is reviewed and upgraded regularly. The Company regularly communicates in different modes with it's with members, security holders, other agencies and public at large. The Whistle Blower Policy of the Company is aimed at bringing out unethical conducts and thereby making transactions ethical and transparent. The Company conducts familiarisation programme for Independent Directors, which together with fair disclosure make activities transparent. The roles of Chairman and CEO are separately held by different individuals and the Chairman is an Independent Director, which bring in transparency and ethics.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company is engaged in the business of financing and provides loans to its borrowers and accepts deposits from public . The products and services provided by the Company, not being physical in nature are safe and sustainable. The Company as a whole works towards reducing our environmental foot prints.

Principle 3: Businesses should promote wellbeing of employees

The Company is an equal opportunity provider to all employees starting from their recruitment irrespective of their caste, creed, gender, race, religion, language, disability or sexual orientation. Our employees belong to all parts of the country and are selected based on individual merit without any discrimination or preference. We encourage the capable employees reaching senior positions and be a part of Company's decision making process. Employee welfare measures on counselling on stress free living, medical and eye checkup, yoga etc. were conducted during the year. We maintain cordial relationship with our employees. We train our employees on upgrading functional and soft skills. In order to ensure healthy working conditions and prevent sexual harassment of women employees, we have constituted Internal Complaint Redressal Committee at various workplaces with a Policy on Prevention of Sexual Harassment at Workplace for Women in force. Employee continuing policies and compliance with regulation have promoted wellbeing of employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

The Company respects the interests of stake holders .The grievances of share/security/deposit holders, borrowers, customers, regulators, government agencies, lenders others ,public and society at large are responded to within stipulated time In such response the interest of such stake holders and the Company are considered. Committee of the Board which meets quarterly overseas this. Our policy is to treat all customers in fair and transparent manner. The loan recovery and collection operation are in-house, which ensures relationship based recovery procedures well-suited to our customers. The Company pays dividend, interest, redemption value and other dues on their respective due dates subject to the requirement of process. The award of credit rating, which indicates high consider these. The Company's CSR programmes are focused on education, skill development for disadvantaged sections of the society.

Principle 5: Businesses should respect and promote human rights

The Company employs without discrimination and pays fair wages to employees. The employees are given equal opportunity to suggest for betterment. The Company has implemented policy on Prevention of Sexual Harassment of women Employees are treated equally with dignity. We comply and adhere to all the human rights laws and guidelines

Principle 6: Business should respect, protect and make efforts to restore the environment

The Company has made many of its processes automated making it less paper based information. We appeal to our shareholders, security holders, NCD/FD holders, borrowers for dealing with us electronically (demat, email, direct credit to bank a/c etc), thereby reducing use of paper . We continue to create awareness about environment protection among employees & customers. The Company adheres to all pollution control measures. We use electronic methods of communication within and outside our offices and avoid use of paper as far as possible.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company is a member of and actively participates in organisations representing NBFC industry, through which different

Business Responsibility Report

Annexure 13 (Contd.)

matters of NBFC industry are represented and influenced. Additionally, the Company also represents business interest of NBFC industry to regulatory authorities in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development

We meet the financial need of persons of areas generally in unbanked/less banked areas with many of our branches at semi urban and rural areas. We also mobilise deposits from these areas. These two promote the 'financial inclusion' which is the focus point of all welfare initiatives of the government. Our CSR activities contribute the development and growth of persons in semi urban and rural areas.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Our customers have derived value by being associated with us in availing finance and keeping money deposited with us. When availing fiancés have helped in achieving advancement, progress, growth in their business, the deposits have helped them with reasonable return to carry out their objectives.. We engage with our customers to understand their need in order to offer a suitable product to them on timely basis. The redressal of customer grievances within reasonable time helps us to serve our customers in responsible manner. Our other services like insurance, settlement of insurance claims, support for housing loans have helped us to value to our services to customers.

Form No.Mr-3 Secretarial Audit Report

Annexure 14

FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

THE MEMBERS,

Shriram City Union Finance Limited

123, Angappa Naicken Street,

Chennai -600001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shriram City Union Finance Limited, Corporate Identification Number L65191TN1986PLC012840 ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the following provisions as amended from time to time::

1) The Companies Act,2013 (the Act) and the rules made there under;
2) The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made there under;
3) The Depositories and Participants Regulations, 2018 and Bye-laws framed thereunder;
4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
5) The following Regulations and Guidelines as amended from time to time prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act');
    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amended from time to time;
    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    g) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.
6) Reserve Bank of India Act, 1934;
7) Master Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 and circulars of Reserve Bank of India thereon;
8) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016;
9) Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998
10) Non-Banking Financial Companies– Corporate Governance (Reserve Bank) Directions, 2015.

Form No.Mr-3 Secretarial Audit Report

Annexure 14 (Contd.)

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Equity Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

(iii) The Debt Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except for certain delay in intimation to Stock exchanges.:

I further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried out with majority approval of the Board and there was no instance of dissent voting by any member during the period under review.

I have examined the systems and processes established by the Company to ensure the compliance with general laws including Labour Laws, Employees Provident Funds Act, Employees State Insurance Act & other State Laws, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period apart from the instances mentioned hereunder, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

I. During the period under review, the Board of Directors of the Company in its meeting held on December 13, 2021 has approved the Composite Scheme of Arrangement and Amalgamation for : (i) the amalgamation of Shrilekha Business Consultancy Private Limited ("SBCPL") with Shriram Capital Limited ("SCL"); (ii) the demerger of that undertaking from SCL, which is carrying on the business of Financial Services, and the transfer and vesting thereof into Shriram Investment Holdings Limited ("SIHL"); (iii) the demerger of those undertakings from SCL, which are carrying on the businesses of a) Life Insurance and b) General Insurance, and the transfer and vesting of the same into a) Shriram LI Holdings Private Limited ("SLIH"), and b) Shriram GI Holdings Private Limited ("SGIH") respectively; (iv) the amalgamation of SCL (with its remaining undertaking and investments) with Shriram Transport Finance Company Limited ("STFC"); and (v) the amalgamation of Company with STFC.

II. Issuance and allotment of 6,22,994 equity shares for an aggregate amount of ₹ 62,29,940 under Employee Stock Option Plan to the employees of the Company on various dates

For M/s. SPNP& Associates,

P. Sriram
Proprietor
Certificate of Practice No - 3310
Membership No - F4862
UDIN- F004862D000232881
Peer Review No- S2011TN155200

Place: Chennai
Date: April 28, 2022

Form No.Mr-3 Secretarial Audit Report

Annexure 14 (Contd.)

To

The Members,

Shriram City Union Finance Limited

My report of event date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the Company had followed provide are reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. SPNP& Associates,

P. Sriram
Proprietor
Certificate of Practice No - 3310
Membership No - F4862
UDIN: F004862D000232881

Place: Chennai
Date: April 28, 2022

TABLE – 1

TABLE OF WEB LINK FOR POLICIES/OTHERS MATTERS APPEARING IN DIRECTORS REPORT OF THE COMPANY

S. No	Name of the Policies	Web Link
1.	Dividend Distribution Policy	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Dividend_Distribution_Policy.zip
2.	Related Party Transaction Policy	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/SCUF_Related_Party_Transaction__RPT__Policy.zip
3.	Whistle Blower and Vigil Mechanism Policy	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/SCUF_Whistle_Blower_and_Vigil_Mechanism_Policy.zip
4.	Policy on Appointment Remuneration and Diversity of Board	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Policy_on_Appointment_Remuneration_and_Diverstiy_of_Board.zip
5.	Terms and conditions of appointment of Independent Director	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Terms_and_conditions_of_appointment_of_Independent_Directors.zip
6.	Familiarisation Programme for Independent Directors	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Familiarisation_Programme_for_Independent_Directors.zip
7.	Code of Conduct for Board Members and Senior Management	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Code_of_Conduct_for_Board_Members_and_Senior_Management.zip
8.	Policy on Material Subsidiary (ies) and Events	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Policy_on_Material_Subsidiary_ies__and_Events.zip
9.	Policy on Preservation and Archival of Documents	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/SCUF_Policy_on_Preservation_and_Archival_Documents.zip
10.	Code for Fair Disclosure and Conduct	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Fair_Disclosure_of_Unpublished_Price_Sensitive_Information.zip
11.	Corporate Social Responsibility Policy	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Corporate_Social_Responsibility_Policy.zip
12.	Annual Return	https://www.primeinfobase.in/z_SHRIRAMCIT/files/MGT-7.zip
13.	Unclaimed Deposits/ Debentures/ Sub Debt	https://www.primeinfobase.in/pages_new/Unclaimed_FD_Debenture.aspx?value=7UgP1IltRM3M600MSHCcMw==
14.	Unclaimed/ Unpaid Dividend	https://www.primeinfobase.in/z_SHRIRAMCIT/unclaimed_dividend.aspx?value=7UgP1IltRM3M600MSHCcMw==
15.	Standalone and Consolidated Financial Statements	https://www.primeinfobase.in/ir_download/PPN_AnnualReports/Shriram_City_AR_FY2021-22.zip
16.	Financial Results of the Company	https://www.primeinfobase.in/pages_new/FinResultSummary.aspx?value=7UgP1IltRM3M600MSHCcMw==
17.	Annual Report of the Company	https://www.primeinfobase.in/ir_download/PPN_AnnualReports/Shriram_City_AR_FY2021-22.zip
18.	Investors Presentation	https://www.primeinfobase.in/z_SHRIRAMCIT/investor_presentation.aspx?value=7UgP1IltRM3M600MSHCcMw==
19.	Earning call transcripts	https://www.primeinfobase.in/z_SHRIRAMCIT/earning_call.aspx?value=7UgP1IltRM3M600MSHCcMw==
20.	Listed Secured redeemable Non-Convertible Debentures (NCDs)	https://www.primeinfobase.in/z_SHRIRAMCIT/files/DETAILS_OF_LISTED_SECURED_REDEEMABLE_NCDs.pdf

Independent Auditor's Report

To the Members of Shriram City Union Finance Limited

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying Standalone Financial Statements of Shriram City Union Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of the Significant Accounting Policies and other explanatory information hereinafter referred to as Financial Statements

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the Profit (Including Other Comprehensive Income), the Statement of changes in Equity, and its cash flows for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act.Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial statements.

EMPHASIS OF MATTER

4. Attention is drawn to Note No 68.8 to the Financial statements which describe the fact that the additional ECL provision on account of COVID-19 is made based on the Company's historical experience, collection efficiencies till date, internal assessment on the impacted segments and other emerging forward-looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company. Further, the extent to which the COVID-19 pandemic will impact the Company's Financial Performance is dependent on future developments, which are highly uncertain

   Our opinion is not modified in respect of the above matter.

KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the year under report. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

   We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
i	**Impairment and Write-offs** The Recognition and Measurement of Impairment and Write-off of Loans and Advances involves estimates, management judgements and appropriate processing of information from the IT systems because of which the same has been identified as a key audit matter.	**Our key audit procedures included:** ● We test checked the computation of the Probable default (PD) which denotes the statistical pattern of occurrence of defaults in individual accounts over a period of past five years. ● We also test checked the computation of the ratio of Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. ● We reviewed the changes made by the management in estimating the PD and the LGD on the background of COVID 19 outbreak and additional ECL provisions made on the basis of above revisions. ● We examined the computation of Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. ● We reviewed the Internal financial controls over data extraction and data validation from the ERP system for computation of PD and LGD with the participation of our internal IT expert. ● We performed analytical procedures for ascertaining of reasonableness of Impairment provisions. ● We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written off. ● Our audit procedures did not reveal any significant inconsistencies with respect to provisions for impairment and write-offs.
ii	**Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims led by other parties not acknowledged as debt (Note No. 41 to the financial statements):** There is high level of judgement required in estimating the level of provisioning. The company's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Company's reported profit and state of affairs presented in the Balance Sheet.	**Our audit approach involved:** Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances; a. Understanding the current status of the litigations/ tax assessments; b. Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon; c. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
	We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved	d. Review and analysis of evaluation of the contentions of the Company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and verification of disclosures related to significant litigations and taxation matters.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Company's Board of Directors is responsible for the other information. The other information included in the Company's annual report like Management Discussion and Analysis, Director's Report and Corporate Governance Report, but does not include the Standalone Financial Statements and our auditors' report thereon which we obtained prior to the date of this auditor's report, and Annual Report, which is expected to be made available to us after that date.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

   If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

7. The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance (including Other Comprehensive Income), Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

   The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements

Independent Auditor's Report (Contd.)

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in Internal Control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

9. The comparative financial Statements of the Company for the year ended March 31, 2021 included in Standalone Financial Statements, were audited by the then Statutory Auditors "G.D. Apte & Co., Chartered Accountants" for the year ended March 31, 2021 whose reports dated April 30, 2021 expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of this matter.

Independent Auditor's Report (Contd.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

11. As required by Section 143(3) of the Act, we report, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

    e) On the basis of the written representations received from the Directors as on March 31, 2022 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022 from being appointed as a Director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

    g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:

    In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

    h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 41 to the Financial Statement

        ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company does not have derivative contracts.

        iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company.

        iv. (a) The management has represented that, to the best of the knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities Identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

        (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any

Independent Auditor's Report **(Contd.)**

guarantee, security or the like on behalf of the Ultimate Beneficiaries ; and

(c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to the notice that has caused us to believe that the representations under sub-clause 11(h)(iv)(a) and (b) contain any material misstatement.

v. As stated in Note 24 to the standalone financial statements :

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Directors of the Company have not proposed any final dividend for the year.

For R. Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041

For Abarna & Ananthan
Chartered Accountants
FRN- 000003S

CA K. Jayasankar
Partner
M No 014156
UDIN: 22014156AICEAR6843

CA (Mrs) Lalitha Rameswaran
Partner
M No 207867
UDIN: 22207867AIZNCU9979

Place: Chennai
Date: April 29, 2022

Annexure "A" to the Independent Auditors' Report

OF EVEN DATE ON THE STANDALONE IND AS FINANCIALSTATEMENTS OF SHRIRAM CITY UNION FINANCE LIMITED

THE ANNEXURE REFERRED TO IN PARAGRAPH 10 UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE:

(i) (a) (1) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE);

(2) The company is maintaining proper records showing full particulars of intangible assets;

(b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company

(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) Based on our examination of the Books of Accounts and other Records of the company and based on the information and explanation provided by the management, no proceedings has been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988..

(ii) (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.

(b) The company has been sanctioned working capital limits in excess of ₹ Five crores (Both fund and non - fund based) by banks on the basis of security of Current Assets. The quarterly returns or statements filed by the company with the banks or financial institutions are in agreement with the books of account of the Company.

(iii) (a) Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(a) of the Order is not applicable to it.

(b) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934,in our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

(c) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.

(d) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and / or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 10 to the Standalone Financial Statements for summarised details of such loans / advances which are not repaid by borrowers as per stipulations as also details of reasonable steps taken by the Company for recovery thereof.

(e) Since the Company's principal business is to give loans, the provision of clause 3(iii)(e) of the Order is not applicable to it.

Annexure "A" to the Independent Auditors' Report (Contd.)

(f) Based on our audit procedures, according to the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year except for the dealer advances which constitute 0.29% (aggregate amount of dealer advance ₹ 9,709.95/- lakhs) of the total advances as at March 31, 2022. No such loans have been granted to Promoters and Related Parties as defined under Clause 76 of Section 2 of the Act.

(iv) According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; the other provisions of Section 186 of the Act are not applicable to the Company.

(v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. We were informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us in respect of Statutory dues

(a) The Company is regular in depositing undisputed Statutory dues, including Goods and Service Tax Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Customs, Cess, and any other Statutory Dues to the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of examination of books of account and records of the company, we report that there are no dues in respect of Income tax, Sales tax, Service tax, Customs Duty, Excise Duty, Value added tax, Goods and services tax or cess which have not been deposited on account of any dispute except for following cases:

Name of Statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax Demands	7,687.17	April 2008 to September 2014	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Kerala Value Added Tax, 2003	Value added Tax	4.65	AY 2007-08	Dy. Commissioner (Appeals) Ernakulum, Kerala
Income Tax Act, 1961	Income Tax	24,248.76 *	AY 2014-15	National Faceless Appeal Centre, Delhi
Income Tax Act, 1961	Income Tax	15.71	AY 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	625.22	AY 2015-16	National Faceless Appeal Centre, Delhi
Income Tax Act, 1961	Income Tax	398.8	AY 2018-19	Commissioner of Income Tax (Appeals)

*Due to technical error in Income Tax Portal, the entire taxes paid by the Company including prepaid taxes were not considered by Department in the order u/s.147 read with section 144B of the Income Tax Act dated 24/03/2022 for the A.Y.2014-15.The department has incorrectly determined the tax demand payable at ₹ 24,248.76 lakhs. The Company has filed Rectification Petition u/s.154 before Jurisdictional Assessing Officer to rectify the mistakes made in the Assessment Order.

Annexure "A" to the Independent Auditors' Report **(Contd.)**

(viii) There are no transactions relating to previously unrecorded income in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The Company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender;

(b) The Company is not declared as a wilful defaulter by any bank or financial institution or other lender;

(c) The term loans were applied for the purpose for which the loans were obtained;

(d) The funds raised on short term basis have not been utilised for long term purposes;

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the requirements of section 42 and section 62 of the Companies Act, 2013 is not applicable;

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit, other than the instances of fraud noticed and reported by the management in terms of the regulatory provisions applicable to the Company amounting to ₹ 0.70 Lakhs comprising of one instance.

(b) There is no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) There are no complaints received during the year under whistle-blower Mechanism;

(xii) The Company is not a Nidhi Company and hence complying with the provisions of the Nidhi Rules, 2014 does not arise.

(xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements, etc., as required by the applicable Accounting Standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit, issued to the company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors"

(xv) The Company has not entered into any non-cash transactions with Directors or any persons connected with him.

(xvi) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.

(b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us, the Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.

(d) As per the information provided to us during the course of our audit, the group to which the Company belongs has 3 CIC's as defined in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.

Annexure "A" to the Independent Auditors' Report **(Contd.)**

(xviii) During the current year the previous statutory auditors of the company have resigned due to the revised guidelines issued by Reserve bank of India vide notification No. DOS.CO.ARG/SEC.01/08/91/001/2021-22 dated 27th April 2021 regulating appointment of Statutory auditors of the Company. According to the information and explanations given to us, there have been no issues, objections or concerns raised by the said outgoing statutory auditors of the company.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount as at the end of the previous financial year pertaining to the year under report to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there is no amount which is remaining unspent for the current year under sub section 5 of section 135 of the Act. Hence reporting under this clause is not applicable.

(xxi) There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For R. Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041

For Abarna & Ananthan
Chartered Accountants
FRN- 000003S

CA K. Jayasankar
Partner
M No 014156
UDIN: 22014156AICEAR6843

CA (Mrs) Lalitha Rameswaran
Partner
M No 207867
UDIN: 22207867AIZNCU9979

Place: Chennai
Date: April 29, 2022

Annexure "B" to the Independent Auditors' Report

OF EVEN DATE ON THE STANDALONE IND AS FINANCIALSTATEMENTS OF SHRIRAM CITY UNION FINANCE LIMITED

(REFERRED TO IN PARAGRAPH 11(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT").

We have audited the Internal Financial Controls with reference to the financial statements of Shriram City Union Finance Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

1. The Company's Management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company, considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

2. Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

   Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to the financial statements of the Company and their operating effectiveness. Our audit of Internal Financial Controls with reference to the financial statements of the Company included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls System over Financial Reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

3. A Company's Internal Financial Controls with reference to the financial statements of the Company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control over Financial Reporting includes those policies and procedures that:
   (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
   (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and
   (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure "B" to the Independent Auditors' Report **(Contd.)**

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

4. Because of the inherent limitations of Internal Financial Controls with reference to the financial statements of the Company, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to the financial statements of the Company to future periods are subject to the risk that the Internal Financial Controls with reference to the financial statements of the Company may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls with reference to the financial statements of the Company and such Internal Financial Controls with reference to the financial statements of the Company were operating effectively as at March 31, 2022, based on the Internal Control over Financial Reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For R. Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041

CA K. Jayasankar
Partner
M No 014156
UDIN: 22014156AICEAR6843

Place: Chennai
Date: April 29, 2022

For Abarna & Ananthan
Chartered Accountants
FRN- 000003S

CA (Mrs) Lalitha Rameswaran
Partner
M No 207867
UDIN: 22207867AIZNCU9979

Standalone Balance Sheet as at March 31, 2022

₹ in Lakhs

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
I ASSETS			
1 FINANCIAL ASSETS			
Cash and cash equivalents	7	5,21,731.36	3,81,528.17
Bank balance other than above	8	1,39,547.45	1,39,908.12
Receivables			
(I) Trade receivables	9	439.09	229.99
(II) Other receivables		-	-
Loans	10	31,02,384.88	27,42,011.64
Investments	11	1,83,628.24	1,01,732.24
Other financial assets	12	4,799.68	4,253.43
Total Financial Assets		**39,52,530.70**	**33,69,663.59**
2 NON-FINANCIAL ASSETS			
Current tax assets (net)	34	2,665.62	4,502.79
Deferred tax assets (net)	34	15,166.44	12,815.28
Property, plant and equipment	13	6,414.65	6,437.72
Intangible assets	14	189.16	204.44
Right-of-use assets	15	16,260.25	15,618.41
Other non-financial assets	16	13,537.61	11,761.28
Total Non-Financial Assets		**54,233.73**	**51,339.92**
Total Assets		**40,06,764.43**	**34,21,003.51**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 FINANCIAL LIABILITIES			
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	17	6.39	18.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17	4,049.95	6,729.05
Debt securities	18	6,51,514.10	4,26,363.00
Borrowings (other than debt securities)	19	17,28,828.82	15,77,279.14
Deposits	20	6,82,838.64	5,52,888.78
Other financial liabilities	21	33,382.68	40,962.53
Total Financial Liabilities		**31,00,620.58**	**26,04,241.40**
2 NON-FINANCIAL LIABILITIES			
Provisions	22	2,659.89	2,631.25
Other non-financial liabilities	23	6,236.32	2,278.27
Total Non-Financial Liabilities		**8,896.21**	**4,909.52**
Total Liabilities		**31,09,516.79**	**26,09,150.92**
3 EQUITY			
Equity share capital	24	6,662.80	6,600.50
Other equity	25	8,90,584.84	8,05,252.09
Total Equity		**8,97,247.64**	**8,11,852.59**
Total Liabilities and Equity		**40,06,764.43**	**34,21,003.51**

See accompanying notes forming part of the financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

K Jayasankar
Partner
Membership No.014156

Lalitha Rameswaran
Partner
Membership No.207867

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date : April 29, 2022

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Standalone Statement of Profit & Loss for the year ended March 31, 2022

₹ in Lakhs

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
REVENUE FROM OPERATIONS			
(i) Interest income	26	6,21,422.90	5,57,155.86
(ii) Dividend income		184.66	190.28
(iii) Fees and commission income	27	12,706.42	4,721.75
(iv) Net gain on fair value changes	28	59.50	131.95
(v) Net gain on derecognition of financial instruments under amortised cost category		210.38	-
(vi) Bad debts recovery		18,091.74	10,869.81
I Total revenue from operations		**6,52,675.60**	**5,73,069.65**
II Other income		363.63	773.82
III Total income (I+II)		**6,53,039.23**	**5,73,843.47**
EXPENSES			
(i) Finance cost	29	2,53,252.52	2,13,388.43
(ii) Net loss on derecognition of financial instruments under amortised cost category		-	167.03
(iii) Fees and commission expenses		10,373.41	10,384.64
(iv) Impairment on financial instruments	30	3,512.13	285.73
(v) Bad debts written off		85,253.45	84,799.87
(vi) Employee benefit expenses	31	97,236.64	76,366.07
(vii) Depreciation, amortisation and impairment	32	7,835.49	7,984.14
(viii) Royalty		7,076.06	6,254.89
(ix) Professional charges		12,664.85	13,010.25
(x) Other expenses	33	29,710.31	22,263.67
IV Total expenses		**5,06,914.86**	**4,34,904.72**
V Profit before exceptional items and tax (III - IV)		**1,46,124.37**	**1,38,938.75**
VI Exceptional items		-	-
VII Profit before tax (V+VI)		**1,46,124.37**	**1,38,938.75**
VIII Tax expense:			
(1) Current tax	34	38,975.40	46,219.68
(2) Tax adjustment for earlier years	34	334.21	-
(3) Deferred tax	34	(1,804.74)	(8,375.35)
IX Profit for the year (VII-VIII)		**1,08,619.50**	**1,01,094.42**
X Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(157.43)	1,178.74
Gain/(Loss) on Fair valuation of quoted investments in equity shares		(2,171.10)	768.97
(ii) Income tax provision / (reversal) relating to items that will not be reclassified to profit or loss		(546.42)	632.84
Subtotal (A)		**(1,782.11)**	**1,314.87**
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		**-**	**-**
Other comprehensive income (A+B)		**(1,782.11)**	**1,314.87**
XI Total Comprehensive Income for the year (IX+ X)		**1,06,837.39**	**1,02,409.29**
XII Earnings per equity share (face value ₹ 10/- per equity share)			
Basic (₹)	35	164.16	153.16
Diluted (₹)	35	163.17	152.81

See accompanying notes forming part of the financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

K Jayasankar
Partner
Membership No.014156

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

Lalitha Rameswaran
Partner
Membership No.207867

Place: Chennai
Date : April 29, 2022

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Standalone Cash flow statement for the year ended March 31, 2022

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	1,46,124.37	1,38,938.75
Adjustments for :		
Depreciation, amortisation and impairment	7,835.49	7,984.14
(Profit) / loss on sale of property, plant and equipment (net)	-	12.12
Bad debts written off	85,253.45	84,799.87
Impairment on financial instruments	3,512.13	285.73
Unwinding of financial guarantee obligation	-	(117.13)
Amortisation of premium on Government securities	353.35	71.20
Interest on lease liabilities	1,842.01	1,718.12
Interest income on fair valuation of security deposits	(216.56)	(256.02)
Net (gain) / loss on sale of investments and fair value changes of investment/ derivative	(59.50)	(131.95)
Net (gain) / loss on derecognition of financial instruments under amortised cost category	(210.38)	167.03
Lease concessions received	(37.62)	(432.51)
Share based payments to employees	9,867.63	1,847.93
Dividend income considered as cash flow from investing activity	(184.66)	(190.28)
Operating profit before working capital changes	**2,54,079.71**	**2,34,697.00**
Movements in working capital:		
(Increase) / decrease in loans and advances	(4,49,095.21)	(1,65,666.23)
(Increase) / decrease in other non - financial assets	(1,651.15)	(3,714.30)
(Increase) / decrease in other financial assets	(350.77)	3,366.91
(Increase) / decrease in bank deposits	362.76	(42,861.05)
(Increase) / decrease in receivables	(223.99)	(146.50)
(Increase) / decrease in investments	(34,361.02)	(27,495.03)
Increase / (decrease) in other financial liabilities	(2,215.91)	(14,597.36)
Increase / (decrease) in other non - financial liabilities	3,958.05	80.45
Increase / (decrease) in other payables	(2,691.61)	670.12
Increase / (decrease) in other provisions	(136.35)	(302.76)
Cash generated from operations	**(2,32,325.49)**	**(15,968.75)**
Direct taxes paid (net of refunds)	(37,472.44)	(37,652.91)
Net cash from / (used in) operating activities (A)	**(2,69,797.93)**	**(53,621.66)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(2,381.76)	(1,945.96)
Investment in subsidiary	(50,000.00)	-
Capital advance for assets	(125.18)	(16.97)
Proceeds from sale of fixed assets	47.36	36.62
Dividend income	184.66	190.28
Net cash from / (used in) investing activities (B)	**(52,274.92)**	**(1,736.03)**

Standalone Cash flow statement for the year ended March 31, 2022 (Contd.)

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	1,868.98	0.74
Increase / (Decrease) of debt securities	2,25,151.10	(20,464.65)
Increase / (Decrease) of borrowings	1,51,549.68	1,32,653.58
Increase / (Decrease) of deposits	1,29,949.86	1,51,681.98
Increase / (Decrease) of subordinated liabilities	-	(23,923.91)
Payment of lease liabilities	(6,464.13)	(5,644.23)
Dividend paid on equity shares	(39,779.45)	(6,600.43)
Net Cash from / (used in) financing activities (C)	**4,62,276.04**	**2,27,703.08**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**1,40,203.19**	**1,72,345.39**
Cash and cash equivalents at the beginning of the year	**3,81,528.17**	**2,09,182.78**
Cash and cash equivalents at the end of the year	**5,21,731.36**	**3,81,528.17**

₹ in Lakhs

Components of cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
Cash on hand	6,886.27	5,427.01
Balances with Banks		
- in current accounts	72,577.15	1,32,365.06
- in deposit accounts having original maturity less than three months	4,42,267.94	2,43,736.10
Total	**5,21,731.36**	**3,81,528.17**

Notes

The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

See accompanying notes forming part of the financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

K Jayasankar
Partner
Membership No.014156

Place: Chennai
Date : April 29, 2022

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

Lalitha Rameswaran
Partner
Membership No.207867

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Standalone Statement of changes in Equity for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

(1) CURRENT REPORTING PERIOD

₹ in Lakhs

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
As at March 31, 2021				As at March 31, 2022
6,600.50	-	6,600.50	62.30	6,662.80

(2) PREVIOUS REPORTING PERIOD

₹ in Lakhs

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the Previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
As at March 31, 2020				As at March 31, 2021
6,600.29	-	6,600.29	0.21	6,600.50

B. OTHER EQUITY

(1) CURRENT REPORTING PERIOD

₹ in Lakhs

Particulars	Share application money pending allotment	Reserves and Surplus							Other comprehensive income	Money received against share warrants	Total
		Capital reserve	Securities premium account	Share options outstanding	Other Reserves						
					Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Capital redemption reserve	General reserve	Retained earnings			
Balance as at March 31, 2021	**-**	**7,871.88**	**1,75,524.19**	**1,872.52**	**1,48,921.30**	**2,328.98**	**1,11,374.46**	**3,57,665.75**	**(306.99)**	**-**	**8,05,252.09**
Profit for the year	-	-	-	-	-	-	-	108,619.50	-	-	1,08,619.50
Remeasurement gain / (loss) on defined benefit plan	-	-	-	-	-	-	-	-	(157.43)	-	(157.43)
Gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	(2,171.10)	-	(2,171.10)
Income tax on remeasurement gain / (loss) on defined benefit plan and gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	546.42	-	546.42
Share Premium received during the year on exercise of ESOPs	-	-	5,180.44	-	-	-	-	-	-	-	5,180.44
Expenses on Employee Stock Option Plan (Refer Note No. 37)	-	-	-	9,867.63	-	-	-	-	-	-	9,867.63
Adjustment on exercise of Employee Stock Option Plan	-	-	-	(3,373.76)	-	-	-	-	-	-	(3,373.76)
Final equity dividend FY 2020-21	-	-	-	-	-	-	-	(8,580.65)	-	-	(8,580.65)
Interim equity dividend FY 2021-22	-	-	-	-	-	-	-	(24,598.30)	-	-	(24,598.30)
Transfer to statutory reserve	-	-	-	-	21,760.00	-	-	(21,760.00)	-	-	-
Transfer to general reserve	-	-	-	-	-	-	10,880.00	(10,880.00)	-	-	-
Balance as at March 31, 2022	**-**	**7,871.88**	**1,80,704.63**	**8,366.39**	**1,70,681.30**	**2,328.98**	**1,22,254.46**	**4,00,466.30**	**(2,089.10)**	**-**	**8,90,584.84**

Standalone Statement of changes in Equity for the year ended March 31, 2022 (Contd.)

B. OTHER EQUITY (Contd.)

(2) PREVIOUS REPORTING PERIOD

₹ in Lakhs

Particulars	Share application money pending allotment	Reserves and Surplus							Other comprehensive income	Money received against share warrants	Total
		Capital reserve	Securities premium account	Share options outstanding	Other Reserves						
					Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Capital redemption reserve	General reserve	Retained earnings			
Balance as at March 31, 2020	**-**	**7,871.88**	**1,75,518.91**	**29.35**	**1,28,431.30**	**2,328.98**	**1,01,124.46**	**3,00,512.26**	**(1,621.86)**	**-**	**7,14,195.28**
Profit for the year	-	-	-	-	-	-	-	1,01,094.42	-	-	101,094.42
Remeasurement gain / (loss) on defined benefit plan	-	-	-	-	-	-	-	-	1,178.74	-	1,178.74
Gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	768.97	-	768.97
Income tax on remeasurement gain / (loss) on defined benefit plan and gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	(632.84)	-	(632.84)
Share premium received during the year on exercise of ESOPs	-	-	5.28	-	-	-	-	-	-	-	5.28
Expenses on Employee Stock Option Plan (Refer Note No. 37)	-	-	-	1,847.93	-	-	-	-	-	-	1,847.93
Adjustment on exercise of Employee Stock Option Plan	-	-	-	(4.76)	-	-	-	-	-	-	(4.76)
Interim equity dividend FY 2020-21	-	-	-	-	-	-	-	(13,200.93)	-	-	(13,200.93)
Transfer to statutory reserve	-	-	-	-	20,490.00	-	-	(20,490.00)	-	-	-
Transfer to general reserve	-	-	-	-	-	-	10,250.00	(10,250.00)	-	-	-
Balance as at March 31, 2021	**-**	**7,871.88**	**175,524.19**	**1,872.52**	**148,921.30**	**2,328.98**	**111,374.46**	**3,57,665.75**	**(306.99)**	**-**	**805,252.09**

See accompanying notes forming part of the financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

K Jayasankar
Partner
Membership No.014156

Place: Chennai
Date : April 29, 2022

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

Lalitha Rameswaran
Partner
Membership No.207867

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Notes forming part of the Standalone financial statements for the year ended March 31, 2022

1. CORPORATE INFORMATION

Shriram City Union Finance Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing small and medium enterprises, two-wheelers and pledged jewels. It also provides personal loans, auto loans, pre-owned two wheeler loans and loan against property. The Company is a Deposit Accepting Non- Banking Finance Company (NBFC) registered as a Loan Company with the Reserve Bank of India (RBI) and Ministry of Corporate Affairs. The registration details are as follows:

RBI 07-00458

Corporate Identity Number (CIN) L65191TN1986PLC012840

IRDA CA0652

Shriram Capital Limited is the promoter of the Company.

The registered office of the Company is at No.123, Angappa Naicken Street, Chennai – 600 001. The principal place of business is at No.144, Santhome High Road, Mylapore, Chennai – 600 004. The financial statements of the Company for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on April 29, 2022.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable on as accrual basis including the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification for Implementation of Indian Accounting Standards vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 issued by RBI.

The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated except where a newly – issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 6 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR) and all values are rounded off to the nearest Lakhs upto two decimals, except when otherwise indicated.

3. PRESENTATION OF FINANCIAL STATEMENT

The Balance Sheet, Statement of Profit and Loss and Statement of changes in Equity of the Company are prepared and presented in the format prescribed in the Division III of Schedule III of the Act applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7. Financial assets and financial liabilities are generally reported on gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

4.1. STATEMENT OF COMPLIANCE

These standalone or separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the other relevant provisions of the Act.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

4.2 Recent Accounting Developments

On March 23, 2022, the ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022.

Ind AS 101 - First time adoption of Ind AS

Ind AS 103 - Business Combination

Ind AS 109 - Financial Instrument

Ind AS 16 - Property, Plant and Equipment

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

Ind AS 41 - Agriculture

Application of above standards are not expected to have any significant impact on the Company's financial statement.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Financial instruments

(i) Classification of financial instruments

a. Financial Assets

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost (amortised cost)
2. Financial assets to be measured at fair value through other comprehensive income (FVTCOI)
3. Financial assets to be measured at fair value through profit or loss account (FVTPL)

The classification depends on the contractual terms of the financial assets, cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.
- At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business model/ (s) have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk,

other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss

b. Financial Liabilities

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

These financial assets comprise bank balances, Trade Receivables Loans, investments and other financial assets.

Financial assets are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Financial assets measured at fair value through other comprehensive income

Financial Assets other than equity instruments:

These financial assets are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in Statement of profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Company does not have any financial instruments other than equity shares measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 *Financial Instruments: Presentation.* Such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income are not subsequently transferred to Statement of profit or loss. Dividends on such investments are recognised in Statement of profit or loss.

(iv) Items at fair value through profit or loss

Financial assets which are not classified in any of the above categories are measured at FVTPL.

Items at fair value through profit or loss comprise:

a. Investments (including equity shares) held for trading;

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

b. Items specifically designated as fair value through profit or loss on initial recognition;

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

a different basis. As at the reporting date the Company does not have any financial instruments designated as measured at fair value through profit or loss.

c. Debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date the Company does not have any such financial instruments measured at fair value through profit or loss.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial instruments as measured at fair value through profit or loss.

(v) Investment in subsidiaries

The Company has accounted for its investments in subsidiary at cost.

(vi) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

(vii) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(viii) Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

- The premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

(ix) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition apart from the exceptional circumstances in which company changes its business model for managing financial assets. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities until the year ended March 31, 2022.

(x) Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date the Company does not have any financial liabilities which have been derecognised.

(xi) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on individual basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Gold Loan, Auto Loans, MSME Loans (sanctioned amount less than ₹ 5 crores), MSME Loans (sanctioned amount more than ₹ 5 crores), Two Wheelers Loans, Personal Loans, Pre-Owned Two Wheeler Loans and Loan against property.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past

Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

As required by RBI Circular reference no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020; where impairment allowance under Ind AS 109 is lower than the provisioning required as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc., the Company shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

Pursuant to the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Company has aligned its definition of default from "Days Past Due Approach as on reporting date" to "Days Past Due Approach as on Day end" with effect from November 12, 2021.

Loan commitments

When estimating expected credit loss for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the Company does not have any financial guarantees.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to Statement of profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Company does not have any debt instruments measured at fair value through OCI.

The mechanics of ECL

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 45.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 45.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 45.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

The above calculated PDs, EAD and LGDs are reviewed annually and changes in the forward looking estimates are analysed.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. Though the fair value of collateral has not been carried out, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(xii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(xiii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 6.1(iii) to 6.1(vi)) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in Statement of profit or loss when the inputs become observable, or when the instrument is derecognised.

5.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

(iv) Net gain or loss on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer note 28), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes..

(v) Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation basis.

(vi) Net gain or loss on derecognition of financial instruments under amortised cost category

Net gain or loss on derecognition of financial instruments under amortised cost category is recognised upfront in the statement of profit and loss, being the difference between the carrying amount (measured at the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) .

5.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in Finance Cost with the corresponding adjustment to the carrying amount of the liabilities.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee

benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in Statement of profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company fully contributes all ascertained liabilities to The Trustees – SCUF Employees Group Gratuity Trust. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

Employee Stock Options

Eligible employees in terms of the Employees Stock Options Scheme of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments granted (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Share Option Outstanding Reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense / vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest.

(iii) Lease

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. After the commencement date, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is also remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest on the lease liability is recognised in the statement of Profit & Loss except to the extent that it can be allocated to any Property, Plant & Equipment. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet.

Rent concession consequent to modification of lease terms due to COVID 19 pandemic have been accounted for as other income with a reduction in lease liability in terms of practical expedient under IND AS 116 Leases.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

(iv) Other income and expenses

All Other income and expense are recognised in the period they occur.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside Statement of profit or loss is recognised outside Statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as a deferred tax asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

Credit Entitlement" under Deferred Tax Assets. The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax / value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(vii) Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

5.4 Foreign currency translation

(i) Functional and presentational currency

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(ii) Transactions and balances

Initial recognition

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

5.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

5.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at Historical cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortised on a straight-line basis over the period of lease

or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years
Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	10 years	10 years
Electronic equipment	10 years	10 years
Office equipment	5 years	5 years
Refrigerator	10 years	10 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

5.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

5.8 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

5.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are reviewed at each Balance Sheet date.

5.10 Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Contingent assets are reviewed at each Balance Sheet date.

5.11 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period and reported amounts of income and expenses for the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

6.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are

managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

6.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually

6.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

6.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in *Note 5.1(xi) Overview of ECL principles*.

6.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

6.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

6.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 7: CASH AND CASH EQUIVALENTS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	6,886.27	5,427.01
Balances with banks (of the nature of cash and cash equivalents)		
-Current Account	72,577.15	1,32,365.06
-Bank deposit with original maturity less than three months	4,42,267.94	2,43,736.10
Total	**5,21,731.36**	**3,81,528.17**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates. The company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and cash equivalent given above.

NOTE 8: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend accounts	88.51	86.42
Bank deposits with original maturity for more than 3 months*	16,065.55	41,238.45
Balances with banks to the extent held as Margin Money or security against the borrowings, guarantees, other commitments.	83,283.32	98,583.25
Fixed deposits against demand loan	40,110.07	-
Total	**1,39,547.45**	**1,39,908.12**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits March 31, 2022: ₹ 14,310.13 Lakhs (March 31, 2021: ₹ 21,197.76 Lakhs) towards SLR requirement for Public Deposits Outstanding.

NOTE 9: RECEIVABLES

(I) Trade Receivables

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	463.61	239.62
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Gross carrying amount	**463.61**	**239.62**
Less: Allowances for impairment loss on trade receivables considered good-unsecured	(24.52)	(9.63)
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net carrying amount	**439.09**	**229.99**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 9: RECEIVABLES (Contd.)

As at March 31, 2022

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	418.11	45.50	-	-	-	-	463.61
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	**-**	**418.11**	**45.50**	**-**	**-**	**-**	**-**	**463.61**
ECL - Simplified approach	**-**	**(22.12)**	**(2.40)**	**-**	**-**	**-**	**-**	**(24.52)**
Net carrying amount	**-**	**395.99**	**43.10**	**-**	**-**	**-**	**-**	**439.09**

As at March 31, 2021

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	203.02	36.60	-	-	-	-	**239.62**
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	**-**
Disputed trade receivables – considered good	-	-	-	-	-	-	-	**-**
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	**-**
Gross carrying amount	**-**	**203.02**	**36.60**	**-**	**-**	**-**	**-**	**239.62**
ECL - Simplified approach	**-**	**(8.16)**	**(1.47)**	**-**	**-**	**-**	**-**	**(9.63)**
Net carrying amount	**-**	**194.86**	**35.13**	**-**	**-**	**-**	**-**	**229.99**

Reconciliation of impairment allowance on trade receivable

₹ in Lakhs

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2020	**3.36**
Add: Addition during the year	6.27
Less: Reduction during the year	-
Impairment allowance as per March 31, 2021	**9.63**
Add: Addition during the year	14.89
Less: Reduction during the year	-
Impairment allowance as per March 31, 2022	**24.52**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 10: LOANS AND ADVANCES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Loans (at amortised cost)		
(A)		
i) Term loans	33,10,360.67	29,46,518.91
ii) Others	-	-
Total (A) - Gross	**33,10,360.67**	**29,46,518.91**
Less: Impairment loss allowance (Refer Note No. 68.8)	2,07,975.79	2,04,507.27
Total (A) - Net	**31,02,384.88**	**27,42,011.64**
(B)		
i) Secured by tangible assets	26,89,945.61	25,63,875.73
ii) Secured by deposits	752.37	457.95
iii) Unsecured	6,19,662.69	3,82,185.23
Total (B) - Gross	**33,10,360.67**	**29,46,518.91**
Less: Impairment loss allowance (Refer Note No. 68.8)	2,07,975.79	2,04,507.27
Total (B) - Net	**31,02,384.88**	**27,42,011.64**
(C)		
Loans outside India	-	-
Loans in India		
i) Public Sector	-	-
ii) Others		
Corporate	50,643.64	70,712.74
Retail	32,59,717.03	28,75,806.17
Total (C)- Gross	**33,10,360.67**	**29,46,518.91**
Less: Impairment loss allowance (Refer Note No. 68.8)	2,07,975.79	2,04,507.27
Total (C)- Net	**31,02,384.88**	**27,42,011.64**

There are no loans measured at FVOCI or FVTPL or designated at FVTPL.

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 45.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 45.2.

₹ in Lakhs

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade								
Performing								
High grade	20,13,945.43	-	-	20,13,945.43	17,55,270.88	-	-	17,55,270.88
Standard grade	7,01,168.42	-	-	7,01,168.42	7,70,117.07	-	-	7,70,117.07
Sub-standard grade	-	3,18,301.75	-	3,18,301.75	-	1,10,721.99	-	1,10,721.99
Past due but not impaired	-	68,075.87	-	68,075.87	-	1,22,810.23	-	1,22,810.23
Non-Performing	-	-	2,08,869.20	2,08,869.20	-	-	1,87,598.74	1,87,598.74
Total	**27,15,113.85**	**3,86,377.62**	**2,08,869.20**	**33,10,360.67**	**25,25,387.95**	**2,33,532.22**	**1,87,598.74**	**29,46,518.91**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 10: LOANS AND ADVANCES (Contd.)

An analysis of changes in the gross carrying amount as follows:

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	25,25,387.95	2,33,532.22	1,87,598.74	29,46,518.91	24,71,361.98	1,67,996.84	2,26,293.73	28,65,652.55
New assets originated or purchased	24,11,254.97	1,75,763.41	27,014.76	26,14,033.14	16,45,829.62	57,095.43	12,470.98	17,15,396.03
Assets derecognised or repaid (excluding write-offs)	(18,73,385.16)	(2,24,389.36)	(67,163.41)	(21,64,937.93)	(14,16,719.93)	(83,725.31)	(49,284.56)	(15,49,729.80)
Transfers to Stage 1	55,604.01	(47,072.61)	(8,531.40)	-	72,877.88	(67,932.14)	(4,945.74)	-
Transfers to Stage 2	(3,12,395.39)	3,20,225.23	(7,829.84)	-	(1,77,805.13)	1,84,215.77	(6,410.64)	-
Transfers to Stage 3	(86,028.43)	(67,287.56)	1,53,315.99	-	(64,389.05)	(23,883.91)	88,272.96	-
Changes to contractual cash flows due to modifications not resulting in derecognition	1,837.31	(2,118.12)	280.81	-	(406.77)	239.36	167.41	-
Amounts written off	(7,161.41)	(2,275.59)	(75,816.45)	(85,253.45)	(5,360.65)	(473.82)	(78,965.40)	(84,799.87)
Gross carrying amount closing balance	**27,15,113.85**	**3,86,377.62**	**2,08,869.20**	**33,10,360.67**	**25,25,387.95**	**2,33,532.22**	**1,87,598.74**	**29,46,518.91**

Reconciliation of ECL balance is given below:

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	88,122.35	16,514.34	99,870.58	2,04,507.27	83,680.54	11,043.90	1,09,675.14	2,04,399.58
New assets originated or purchased	60,509.39	8,020.07	11,118.45	79,647.91	41,177.23	2,207.62	2,523.54	45,908.39
Transfers to Stage 1	10,982.15	(5,591.61)	(5,390.54)	-	7,895.83	(5,261.93)	(2,633.90)	-
Transfers to Stage 2	(11,522.99)	15,932.48	(4,409.49)	-	(6,921.24)	10,237.09	(3,315.85)	-
Transfers to Stage 3	(3,408.03)	(4,637.56)	8,045.59	-	(2,545.34)	(2,127.16)	4,672.50	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(49,958.96)	(10,484.03)	69,517.05	9,074.06	(29,804.02)	888.64	67,914.55	38,999.17
Amounts written off	(7,161.41)	(2,275.59)	(75,816.45)	(85,253.45)	(5,360.65)	(473.82)	(78,965.40)	(84,799.87)
ECL allowance - closing balance	**87,562.50**	**17,478.10**	**1,02,935.19**	**2,07,975.79**	**88,122.35**	**16,514.34**	**99,870.58**	**2,04,507.27**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was ₹ 73,970.01 Lakhs (₹ 77,527.99 Lakhs for March 31, 2021).

The Company, in the normal course collects the dues by cheques / mandates and where there is a default, the Company issues a demand notice and initiates arbitration or in the alternative proceeds under SARFAESI Act, where the immovable property is offered as a collateral security. The Company may initiate civil suit in certain cases for recovery of the amount due. Proceedings under IBC may also initiated for recovery of the amount due under the loan agreement. In case of vehicle loan, the Company where possible takes steps to repossess the vehicle and in case of Jewel loan the Company takes steps to auction the jewels on issue of notice, to realise the dues.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 11: INVESTMENTS

₹ in Lakhs

Particulars	Amortised Cost	At Fair value		Sub-total (At Fair Value)	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit and loss account			
AS AT MARCH 31, 2022						
i) Mutual funds	-	-	493.53	493.53	-	493.53
ii) Government securities	77,134.27	-	-	-	-	77,134.27
iii) Equity instruments *	-	7,515.00	-	7,515.00	-	7,515.00
iv) Subsidiary (Refer Note No. 36)	-	-	-	-	66,544.00	66,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	183.91	183.91
vi) Treasury Bills	31,640.35	-	-	-	-	31,640.35
vii) Investments in Pass Through Certificate	123.73	-	-	-	-	123.73
Total Gross (A)	**1,08,898.35**	**7,515.00**	**493.53**	**8,008.53**	**66,727.91**	**1,83,634.79**
(i) Investments outside India	-	7,515.00	-	7,515.00	-	7,515.00
(ii) Investments in India	1,08,898.35	-	493.53	493.53	66,727.91	1,76,119.79
Total Gross (B)	**1,08,898.35**	**7,515.00**	**493.53**	**8,008.53**	**66,727.91**	**1,83,634.79**
Less : Allowance for impairment loss (C)	(6.55)	-	-	-	-	(6.55)
Total - Net D = (B) - (C)	**1,08,891.80**	**7,515.00**	**493.53**	**8,008.53**	**66,727.91**	**1,83,628.24**
As at March 31, 2021						
i) Mutual funds	-	-	434.03	434.03	-	434.03
ii) Government securities	8,638.94	-	-	-	-	8,638.94
iii) Equity instruments *	-	9,686.10	-	9,686.10	-	9,686.10
iv) Subsidiary (Refer Note No. 36)	-	-	-	-	16,544.00	16,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	183.91	183.91
vi) Treasury Bills	66,090.73	-	-	-	-	66,090.73
vii) Investments in Pass Through Certificate	161.00	-	-	-	-	161.00
Total Gross (A)	**74,890.67**	**9,686.10**	**434.03**	**10,120.13**	**16,727.91**	**1,01,738.71**
(i) Investments outside India	-	9,686.10	-	9,686.10	-	9,686.10
(ii) Investments in India	74,890.67	-	434.03	434.03	16,727.91	92,052.61
Total Gross (B)	**74,890.67**	**9,686.10**	**434.03**	**10,120.13**	**16,727.91**	**1,01,738.71**
Less : Allowance for impairment loss (C)	(6.47)	-	-	-	-	(6.47)
Total - Net D = (B) - (C)	**74,884.20**	**9,686.10**	**434.03**	**10,120.13**	**16,727.91**	**1,01,732.24**

More information regarding the valuation methodologies can be found in Note 44.9

There are no investments designated at FVTPL.

* The Company received dividends of ₹ 184.66 Lakhs (March 31, 2021: ₹ 190.28 Lakhs) from its investments measured at FVTOCI securities, recorded as dividend income.

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 11: INVESTMENTS (Contd.)

internal grading system are explained in note 45.2.

₹ in Lakhs

Internal Grade Rating	As at March 31, 2022				As at March 31, 2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Performing								
High grade	1,83,634.79	-	-	1,83,634.79	1,01,738.71	-	-	1,01,738.71
Standard grade	-	-	-	-	-	-	-	-
Non-performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	**1,83,634.79**	**-**	**-**	**1,83,634.79**	**1,01,738.71**	**-**	**-**	**1,01,738.71**

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

₹ in Lakhs

Particulars	Year Ended March 31, 2022				Year Ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	**1,01,738.71**	**-**	**-**	**1,01,738.71**	**73,413.97**	**-**	**-**	**73,413.97**
New assets originated or purchased	1,46,349.17	-	-	1,46,349.17	82,880.03	-	-	82,880.03
Assets derecognised or matured	(65,840.77)	-	-	(65,840.77)	(58,255.78)	-	-	(58,255.78)
Other changes								
Amortisation of G-sec Premium	2,068.22	-	-	2,068.22	(71.20)	-	-	(71.20)
Interest on investment at amortised cost	1,431.06	-	-	1,431.06	2,870.77	-	-	2,870.77
Change in fair value								
OCI	(2,171.10)	-	-	(2,171.10)	768.97	-	-	768.97
Profit & Loss	59.50	-	-	59.50	131.95	-	-	131.95
Closing balance	**1,83,634.79**	**-**	**-**	**1,83,634.79**	**1,01,738.71**	**-**	**-**	**1,01,738.71**

Reconciliation of ECL balance is given below:

₹ in Lakhs

Particulars	Year Ended March 31, 2022				Year Ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**6.47**	**-**	**-**	**6.47**	**-**	**-**	**-**	**-**
New assets originated or purchased	5.33	-	-	5.33	6.47	-	-	6.47
Changes to models and inputs used for ECL calculations	2.05	-	-	2.05	-	-	-	-
Recoveries	(7.30)	-	-	(7.30)	-	-	-	-
Closing balance in ECL	**6.55**	**-**	**-**	**6.55**	**6.47**	**-**	**-**	**6.47**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 12 : OTHER FINANCIAL ASSETS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	2,417.57	2,296.02
Assignment receivable	1,186.25	1,036.67
Less: ECL on Assignment Receivable	(62.75)	(41.67)
Other receivables	303.17	0.16
Employee benefits recoverable from former employers for transfer of employees	955.44	962.25
Total	**4,799.68**	**4,253.43**

Reconciliation of impairment allowance on Assignment receivable

₹ in Lakhs

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2020	**62.32**
Add: Addition during the year	-
Less: Reversal during the year	(20.65)
Impairment allowance as per March 31, 2021	**41.67**
Add: Addition during the year	21.08
Less: Reversal during the year	-
Impairment allowance as per March 31, 2022	**62.75**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 13: PROPERTY, PLANT AND EQUIPMENTS

₹ in Lakhs

Particulars	Land-Freehold	Building	Office equipments	Electrical Installations	Computer Equipments	Furniture & Fixtures	Vehicles	Leasehold Improvements	Total
GROSS BLOCK AT COST									
As at March 31, 2020	**2.31**	**12.94**	**3,224.58**	**3,593.26**	**7,502.40**	**2,755.80**	**70.26**	**13,419.59**	**30,581.14**
Additions	-	-	30.19	178.31	793.72	108.40	27.52	658.42	1,796.56
Disposals	-	-	5.77	89.03	505.88	15.54	16.57	64.39	697.18
As at March 31, 2021	**2.31**	**12.94**	**3,249.00**	**3,682.54**	**7,790.24**	**2,848.66**	**81.21**	**14,013.62**	**31,680.52**
Additions	-	-	47.08	257.47	749.33	256.93	-	937.52	2,248.33
Disposals	-	-	53.64	75.50	510.48	23.66	13.86	296.52	973.66
As at March 31, 2022	**2.31**	**12.94**	**3,242.44**	**3,864.51**	**8,029.09**	**3,081.93**	**67.35**	**14,654.62**	**32,955.19**
ACCUMULATED DEPRECIATION AND IMPAIRMENT:									
As at March 31, 2020	**-**	**4.02**	**2,705.37**	**1,601.85**	**6,054.62**	**1,617.60**	**30.93**	**11,325.73**	**23,340.12**
Disposals	-	-	5.51	72.89	480.62	13.66	11.80	63.96	648.44
Depreciation charge for the year	-	0.17	145.04	329.06	786.31	194.98	7.77	1,087.79	2,551.12
As at March 31, 2021	**-**	**4.19**	**2,844.90**	**1,858.02**	**6,360.31**	**1,798.92**	**26.90**	**12,349.56**	**25,242.80**
Disposals	-	-	51.17	67.93	485.06	20.08	7.77	294.29	926.30
Depreciation charge for the year	-	0.17	114.15	338.17	643.26	192.29	8.25	927.75	2,224.04
As at March 31, 2022	**-**	**4.36**	**2,907.88**	**2,128.26**	**6,518.51**	**1,971.13**	**27.38**	**12,983.02**	**26,540.54**
Net carrying amount as at March 31, 2021	**2.31**	**8.75**	**404.10**	**1,824.52**	**1,429.93**	**1,049.74**	**54.31**	**1,664.06**	**6,437.72**
Net carrying amount as at March 31, 2022	**2.31**	**8.58**	**334.56**	**1,736.25**	**1,510.58**	**1,110.80**	**39.97**	**1,671.60**	**6,414.65**

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2022 is ₹ 2.31 Lakhs (March 31 2021: ₹ 2.31 Lakhs).

There are no assets acquired on account of business combination nor revalued for the year ended March 31, 2022 and March 31, 2021.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 14 : OTHER INTANGIBLE ASSETS

₹ in Lakhs

Particulars	Computer Software
Gross block at cost	
As at March 31, 2020	**4,057.25**
Additions	149.41
Disposals	-
As at March 31, 2021	**4,206.66**
Additions	133.43
Disposals	0.71
As at March 31, 2022	**4,339.38**
Accumulated amortisation and impairment losses	
As at March 31, 2020	**3,864.07**
Amortisation charge for the year	138.15
Disposals	-
As at March 31, 2021	**4,002.22**
Amortisation charge for the year	148.71
Disposals	0.71
As at March 31, 2022	**4,150.22**
Net carrying amount as at March 31, 2021	**204.44**
Net carrying amount as at March 31, 2022	**189.16**

Other than internally generated

NOTE 15 : RIGHT OF USE ASSETS

Office Premises

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Gross Carrying Amount	**15,618.41**	**15,487.33**
Additions	6,575.32	6,385.90
Amortisation charge for the year	(5,462.74)	(5,294.87)
Deletions	(470.74)	(959.95)
Net Carrying Amount	**16,260.25**	**15,618.41**

NOTE 16 : OTHER NON-FINANCIAL ASSETS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Goods and Service tax credit (input) receivable	10,159.75	8,681.43
Other Advances	127.11	127.22
Statutory duties paid under protest	766.66	766.66
Capital advances	213.24	88.06
Prepaid expenses	1,411.87	622.36
Deposit with gratuity fund in excess of obligation	858.98	1,475.55
Total	**13,537.61**	**11,761.28**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 17 : OTHER PAYABLES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises (Refer Note No. 46)	6.39	18.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,049.95	6,729.05
Total	**4,056.34**	**6,747.95**

AS AT MARCH 31, 2022

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	6.39	-	-	-	6.39
Others	3,158.74	840.15	51.06	-	-	-	4,049.95
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-
Total	**3,158.74**	**840.15**	**57.45**	**-**	**-**	**-**	**4,056.34**

As at March 31, 2021

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	"More than 3 years"	
MSME	-	0.28	18.62	-	-	-	18.90
Others	3,542.30	1,842.35	1,342.41	1.99	-	-	6,729.05
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-
Total	**3,542.30**	**1,842.63**	**1,361.03**	**1.99**	**-**	**-**	**6,747.95**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 18 : DEBT SECURITIES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Redeemable Non-Convertible Debentures (Secured)		
Public issue*	38,902.41	86,924.21
Privately placed**	6,12,611.69	3,39,438.79
Total	**6,51,514.10**	**4,26,363.00**
Debt securities in India	6,51,514.10	4,26,363.00
Debt securities outside India	-	-
Total	**6,51,514.10**	**4,26,363.00**

There are no debt securities measured at FVTPL or designated at FVTPL.

* Includes ₹ 4,163.59 Lakhs (March 31, 2021 ₹ 5,192.17 Lakhs) issued to related parties.

** Includes ₹ 20,065.85 Lakhs (March 31, 2021 ₹ 2,389.34 Lakhs) issued to related parties.

A. Public Issue of Redeemable Non-Convertible Debentures (NCDs) Secured of ₹ 1,000/- each - Quoted

(i) Issued in 2019

₹ in Lakhs

Tranche I Series	Rate of Interest	As at March 31, 2022	As at March 31, 2021	Redemption Date
Series I	9.55%	-	42,330.07	30-Apr-21
Series II	9.54%	-	2,955.37	30-Apr-21
Series III	9.65%	7,061.02	6,985.01	30-Apr-22
Series IV	9.26%	4,082.17	4,034.35	30-Apr-22
Series V	9.64%	3,220.49	2,902.22	30-Apr-22
Series VI	9.75%	7,111.79	7,065.31	30-Apr-24
Series VII	9.35%	3,456.31	3,431.69	30-Apr-24
Series VIII	9.75%	2,708.83	2,450.56	30-Apr-24
		27,640.61	**72,154.58**	

₹ in Lakhs

Tranche II Series	Rate of Interest	As at March 31, 2022	As at March 31, 2021	Redemption Date
Series I	9.55%	-	3,098.30	25-Sep-21
Series II	9.55%	-	617.73	25-Sep-21
Series III	9.70%	1,656.51	1,646.07	25-Sep-22
Series IV	9.30%	1,322.31	1,313.58	25-Sep-22
Series V	9.71%	1,036.45	938.58	25-Sep-22
Series VI	9.85%	5,441.10	5,420.43	25-Sep-24
Series VII	9.45%	1,096.67	1,092.30	25-Sep-24
Series VIII	9.88%	708.76	642.64	25-Sep-24
		11,261.80	**14,769.63**	
Grand Total - Tranche I and II		**38,902.41**	**86,924.21**	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the Company's specifically identified assets such as book debts / loan receivables in favour of the Trustees appointed.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 18 : DEBT SECURITIES (Contd.)

Secured redeemable non- convertible debentures may be bought back subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Company.

B. Redeemable Non-Convertible Debentures - Secured

Privately Placed Redeemable Non-Convertible Debenture -Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 10,00,000/- each - Quoted and for two INEs - INE722A07AG5 and INE722A07AH3, the face value is ₹ 1,00,000/- each

₹ in Lakhs

Rate of Interest	As at March 31, 2022	As at March 31, 2021	Redemption Date
9.70%**	-	54,807.61	5-Mar-22
8.98%	-	15,540.55	9-Mar-22
9.90%	11,189.80	10,290.26	4-Apr-22
8.98%	20,868.80	20,713.25	6-Apr-22
8.15%	2,569.63	2,529.63	18-May-22
8.92%	22,183.83	20,034.55	18-Aug-22
9.90%	11,972.00	10,992.93	29-Sep-22
8.09%	8,203.85	8,202.91	5-Dec-22
7.70%	35,688.48	-	21-Dec-22
8.60%	16,339.29	14,825.47	27-Jan-23
9.25%	23,648.62	49,812.53	28-Feb-23
8.60%	52,900.01	47,903.37	1-Mar-23
9.25%**	2,460.80	2,479.95	5-Mar-23
8.90%	11,510.17	11,513.58	27-Mar-23
8.40%	21,322.23	19,705.94	30-Mar-23
8.40%	32,037.06	29,091.02	17-May-23
7.50%	44,180.04	-	22-May-23
8.22%	20,489.35	-	1-Mar-24
8.20%	30,540.84	-	23-May-24
9.25%#	49,775.36	4,970.79	28-May-24
8.25%	5,224.94	-	23-Jul-24
7.95% #	25,591.91	-	12-Aug-24
7.48%	30,618.48	-	21-Sep-24
9.25%	978.34	975.18	8-Feb-30
9.25%	4,851.84	4,833.76	22-Feb-30
9.50%	2,934.67	2,926.36	7-Feb-31
9.50%	7,307.97	7,289.15	21-Feb-31
9.00%	10,194.95	-	23-Jun-31
8.75%	10,340.55	-	23-Jul-31
8.65%	19,235.88	-	21-Sep-31
9.05%	59,852.59	-	20-Dec-31
9.00%	17,599.41	-	22-Feb-32
Total	**6,12,611.69**	**3,39,438.79**	

** Two NCDs having INEs INE722A07AG5 and INE722A07AH3 have face value of ₹ 1,00,000/- each

Out of the above, the following INE722A07AU6 and INE722A07AY8 totalling to ₹ 75,367.27 Lakhs (March 31, 2021: ₹ 4,970.79 Lakhs for INE722A07AU6) are having put option facility, as may be subject to applicable statutory and / or regulatory requirements, upon the terms and conditions as may be decided by the Company.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 18 : DEBT SECURITIES (Contd.)

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 15 months to 120 months from the date of allotment depending on the terms of the agreement.

NOTE 19: BORROWINGS (OTHER THAN DEBT SECURITIES)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Secured		
Term Loan		
from bank in INR	8,82,119.19	7,62,526.16
from financial institution/ NBFC in INR	3,42,121.77	2,63,930.95
from bank in INR-Securitisation	18,860.95	38,605.98
from financial institution/ NBFC in INR- Securitisation	1,91,152.68	2,99,853.14
from bank in INR - Demand Loan against Fixed Deposits	36,000.00	-
Loans repayable on demand		
Cash credit / Overdraft facilities from banks	22,992.47	35,847.57
Working Capital demand loan from banks	2,35,581.76	1,76,515.34
Total	**17,28,828.82**	**15,77,279.14**
Borrowings in India	17,28,828.82	15,77,279.14
Borrowings outside India	-	-
Total	**17,28,828.82**	**15,77,279.14**

There are no borrowings measured at FVTPL or designated at FVTPL.

The borrowings have not been guaranteed by directors or others. The Company has not defaulted in repayment of principal and interest to its lenders.

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 19: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term Loan from Bank in Indian currency-Secured

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	7.00% to 10.60%	1 to 36 installments of Bullet, Monthly and Quarterly frequency	1,05,194.31
12-24 Months	7.95% to 9.95%	8 to 33 installments of Monthly and Quarterly frequency	1,68,521.16
24-36 Months	7.90% to 9.40%	9 to 36 installments of Monthly and Quarterly frequency	2,65,847.97
36-48 Months	8.00% to 9.50%	11 to 15 installments of Quarterly frequency	2,93,265.45
48-60 Months	8.50%	19 installments of Quarterly frequency	49,290.30
Total			**8,82,119.19**

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	7.20% to 11.50%	1 to 24 installments of Bullet, Monthly, Quarterly and Half-yearly frequency	2,06,881.75
12-24 Months	7.80% to 10.60%	3 to 36 installments of Monthly and Quarterly frequency	2,27,252.09
24-36 Months	8.15% to 10.20%	8 to 33 installments of Monthly and Quarterly frequency	1,83,430.03
36-48 Months	8.50% to 9.45%	14 to 15 installments of Quarterly frequency	1,44,962.29
Total			**7,62,526.16**

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Financial Institutions/ NBFC-Secured

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	7.60% to 8.50%	1 to 20 installments of Bullet and Quarterly frequency	13,788.04
12-24 Months	8.25%	10 installments of Quarterly frequency	3,489.60
24-36 Months	8.25% to 10.50%	10 to 12 installments of Quarterly and Half yearly frequency	41,862.26
36-48 Months	7.20% to 9.75%	20 installments of Quarterly frequency	1,14,847.39
48-60 Months	8.00% to 8.75%	19 to 20 installments of Quarterly frequency	1,68,134.48
Total			**3,42,121.77**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 19: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	6.21% to 9.00%	1 to 4 installments of Bullet and Quarterly frequency	43,882.35
12-24 Months	7.60% to 9.40%	12 to 20 installments of Quarterly frequency	12,851.91
24-36 Months	8.25%	10 installments of Quarterly frequency	4,359.24
36-48 Months	10.50%	20 installments of Half-yearly frequency	27,875.40
48-60 Months	7.20% to 9.75%	20 installments of Quarterly frequency	1,44,803.84
Above 60 Months	8.75%	20 installments of Quarterly frequency	30,158.21
Total			**2,63,930.95**

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term loan from banks - INR -Securitisation

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
24-36 Months	8.95% to 9.10%	1 to 70 installments of Monthly frequency	18,860.95
Total			**18,860.95**

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
48-60 Months	9.10% to 10.00%	1 to 70 installments of Monthly frequency	38,605.98
Total			**38,605.98**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 19: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term loan from Financial Institutions/ NBFC - INR -Securitisation

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	7.78% to 8.20%	1 to 23 installments of Monthly frequency	13,044.73
12-24 Months	6.69% to 10.25%	1 to 52 installments of Monthly frequency	84,014.24
24-36 Months	7.85% to 10.25%	1 to 72 installments of Monthly frequency	37,750.90
36-48 Months	9.00% to 10.25%	1 to 72 installments of Monthly frequency	19,398.17
Above 60 Months	9.11%	1 to 75 installments of Monthly frequency	36,944.64
Total			**1,91,152.68**

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Total Amount
Upto 12 Months	10.40%	1 to 23 installments of Monthly frequency	445.01
12-24 Months	8.20% to 10.55%	1 to 30 installments of Monthly frequency	72,922.50
24-36 Months	8.20% to 10.25%	1 to 52 installments of Monthly frequency	76,426.41
36-48 Months	10.25% to 10.30%	1 to 72 installments of Monthly frequency	40,005.80
48-60 Months	9.00% to 10.25%	1 to 72 installments of Monthly frequency	45,937.46
Above 60 Months	9.11%	1 to 75 installments of Monthly frequency	64,115.96
Total			**2,99,853.14**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Term loan from banks - INR - Demand Loan against fixed deposits

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	As at March 31, 2022	As at March 31, 2021
Secured against fixed deposits of ₹ 40,000/- Lakhs	4.10%	36,000.00	-
Total		**36,000.00**	**-**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 19: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Loans repayable on demand-Secured

Cash Credit from Banks

₹ in Lakhs

Particulars	Rate of Interest	As at March 31, 2022	As at March 31, 2021
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.20% to 10.45%	22,992.47	35,847.57
Total		**22,992.47**	**35,847.57**

Working capital Demand loan from Banks

₹ in Lakhs

Particulars	Rate of Interest	As at March 31, 2022	As at March 31, 2021
Secured with exclusive charge by way of hypothecation of specific assets under financing.	6.71% to 10.15%	2,35,581.76	1,76,515.34
Total		**2,35,581.76**	**1,76,515.34**

NOTE 20: DEPOSITS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Unsecured		
Deposits		
i) Public deposits * (Refer Note No. 51)	6,82,450.02	5,52,881.69
ii) Recurring deposits	388.62	7.09
Total	**6,82,838.64**	**5,52,888.78**

There are no deposits measured at FVTPL or designated at FVTPL.

* includes ₹ 1,260.27 Lakhs (March 31, 2021 ₹ 1,052.63 Lakhs) accepted from related parties.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 20: DEPOSITS (Contd.)

Details of Public Deposits - Unsecured

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	87,019.02	1,25,498.09	2,12,517.11
12-24 months	39,264.30	1,20,641.25	1,59,905.55
24-36 months	94,828.10	73,436.12	1,68,264.22
36-48 months	3,136.10	65,482.04	68,618.14
48-60 months	40,776.40	32,368.60	73,145.00
Total	**2,65,023.92**	**4,17,426.10**	**6,82,450.02**

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	65,754.95	97,205.09	1,62,960.04
12-24 months	23,585.51	1,22,138.47	1,45,723.98
24-36 months	17,871.37	1,17,186.77	1,35,058.14
36-48 months	775.24	43,779.59	44,554.83
48-60 months	-	64,584.70	64,584.70
Total	**1,07,987.07**	**4,44,894.62**	**5,52,881.69**

Details of Recurring deposits - Unsecured

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	152.56	-	152.56
12-24 months	33.38	5.70	39.08
24-36 months	0.01	47.94	47.95
36-48 months	-	40.05	40.05
48-60 months	-	108.98	108.98
Total	**185.95**	**202.67**	**388.62**

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	2.10	-	2.10
12-24 months	0.49	-	0.49
24-36 months	-	0.70	0.70
36-48 months	-	0.05	0.05
48-60 months	-	3.75	3.75
Total	**2.59**	**4.50**	**7.09**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 21: OTHER FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Investor education and protection fund shall be credited by the following amounts (as and when due) #		
- Unclaimed dividend	88.51	86.42
- Unclaimed matured deposits and interest thereon	6,616.72	6,156.82
- Unclaimed matured debentures and interest thereon	386.92	573.98
- Unclaimed matured subordinate debts and interest accrued thereon	921.31	2,059.81
Payable on account of assignment	261.03	1,587.76
Royalty payable	1,732.25	1,641.31
Creditors for Supply & Services	325.69	353.48
Employee related payables	5,123.04	5,005.11
Lease Liability	17,927.21	16,757.24
COVID-19 Ex-gratia relief Payable	-	140.10
Dividend payable*	-	6,600.50
Total	**33,382.68**	**40,962.53**

There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF)

* Represents second interim dividend declared on March 26, 2021 which is payable to the shareholders whose names appeared on the register of members as at April 7, 2021 being record date. This second interim dividend was paid to shareholders on April 19, 2021.

Lease Liability

AS AT MARCH 31, 2022

₹ in Lakhs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on March 31, 2021)	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the year	Payment of Lease Liabilities during the year	Rent Lease Concession	Amount of Lease Liabilities as on March 31, 2022
Office Premises	16,757.24	6,383.38	(516.05)	1,842.01	(6,501.75)	(37.62)	17,927.21

As at March 31, 2021

₹ in Lakhs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on March 31, 2020)	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the year	Payment of Lease Liabilities during the year	Rent Lease Concession	Amount of Lease Liabilities as on March 31, 2021
Office Premises	15,977.38	6,147.24	(1,008.76)	1,718.12	(5,644.23)	(432.51)	16,757.24

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 21: OTHER FINANCIAL LIABILITIES (Contd.)

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amounts recognised in the Statement of Profit and Loss		
Amortisation expense of right-of-use assets	5,462.74	5,294.87
Interest expense on lease liabilities	1,842.01	1,718.12
Expense relating to short-term leases (included in other expenses)	-	-
Expense relating to leases of low-value assets (included in other expenses)	-	-
Variable lease payments (included in other expenses)	-	-
The Company had remeasured lease liability in respect of certain leases during the year and income on such remeasurement of leases as per Ind AS 116 is included in other income	(37.62)	(432.51)
Total amount recognised in profit or loss	**7,267.13**	**6,580.48**

"The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due."

Lease Liability

The table below provides details regarding the contractual maturities of lease liabilities.

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one year	4,519.19	4,128.59
Later than one year but not later than five years	9,907.77	9,314.95
Later than 5 years	3,500.25	3,313.70
Total	**17,927.21**	**16,757.24**

The Company has taken various office premises under lease. Certain agreements provide for cancellation by either party / contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 22: PROVISIONS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
For Employee benefit		
- Provision for compensated absences	2,434.60	2,413.52
For Others		
- Undrawn loan commitment	225.29	217.73
Total	**2,659.89**	**2,631.25**

Loan Commitment

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 45.2 along policies on whether ECL allowances are calculated on an individual or collective basis.

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
	Stage 1 Collective	Stage 1 Collective
Internal Rating Grade		
Performing		
High Grade	6,402.47	5,378.39
Total	**6,402.47**	**5,378.39**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Stage 1	Stage 1
Opening balance of outstanding exposure	**5,378.39**	**691.57**
New exposures	6,402.47	5,378.39
Exposures cancelled or disbursed (excluding write-offs)	(5,378.39)	(691.57)
Closing balance of outstanding exposure	**6,402.47**	**5,378.39**

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	General approach	General approach
	Stage 1	Stage 1
ECL allowance - opening balance	**217.73**	**31.77**
New exposures	225.29	217.73
Exposures cancelled or disbursed (excluding write-offs)	(217.73)	(31.77)
ECL allowance - closing balance	**225.29**	**217.73**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 23: OTHER NON-FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	6,231.50	2,246.33
Retention money and other sundry liabilities	4.82	31.94
Total	**6,236.32**	**2,278.27**

NOTE 24: EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised:		
11,85,00,000 (March 31, 2021: 11,85,00,000) equity shares of ₹ 10/- each	11,850.00	11,850.00
40,00,000 (March 31, 2021: 40,00,000) cumulative redeemable preference shares of ₹ 100/- each	4,000.00	4,000.00
Total	**15,850.00**	**15,850.00**
Issued share capital		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Subscribed share capital		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Paid up (fully paid up)		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Total Equity	**6,662.80**	**6,600.50**
Issued, Subscribed and fully paid up Equity Shares		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Total Equity	**6,662.80**	**6,600.50**

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. of Shares	₹ in Lakhs
As at March 31, 2020	**6,60,02,922**	**6,600.29**
Issued during the year*	2,100	0.21
As at March 31, 2021	**6,60,05,022**	**6,600.50**
Issued during the year*	6,22,994	62.30
As at March 31, 2022	**6,66,28,016**	**6,662.80**

* Relates to ESOP allotment

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 6,84,614 (March 31, 2021: 77,870) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP), wherein a part of the consideration was received in form of employee service.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 24: EQUITY SHARE CAPITAL (Contd.)

d. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Shriram Capital Limited	2,23,71,594	33.58%	2,23,71,594	33.89%
Dynasty Acquisition FPI Limited	1,34,21,889	20.14%	1,34,21,889	20.33%
Piramal Enterprises Limited	65,79,840	9.88%	65,79,840	9.97%

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders / members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e. Shareholding of Promoters *

Shares held by promoters/ promoter groups at the end of the year	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
Promoter Name						
Shriram Capital Limited	2,23,71,594	33.58%	-0.94%	2,23,71,594	33.89%	0.00%
Shriram Ownership Trust	4,88,383	0.73%	100.00%	-	0.00%	NA
Shriram Value Services Limited	2,01,106	0.30%	100.00%	-	0.00%	NA
Shriram Financial Ventures (Chennai) Private Limited	-	0.00%	-100.00%	4,88,383	0.74%	3599.59%
Total	**2,30,61,083**			**2,28,59,977**		

* Promoter here means promoter as defined in the Companies Act, 2013.

f. Dividend Details

The Board of Directors in their meeting held on March 8, 2022 declared second interim equity dividend of 270% (₹ 27/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2021-22, amounting to ₹ 1,79,82,48,195/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim equity dividend was March 17, 2022. The second interim dividend was paid to eligible shareholders on March 25, 2022. The Board of Directors have not recommended final dividend. As such the interim dividend aggregating to ₹ 37/-per share (i.e. 370 %) shall be the final dividend for the financial year 2021-22 .

The Board of Directors in their meeting held on October 27, 2021 declared interim equity dividend of 100% (₹ 10/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2021-22, amounting to ₹ 66,15,81,390/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of interim equity dividend was November 12, 2021. The interim dividend was paid to eligible shareholders on November 24, 2021.

Pursuant to the final equity dividend for the financial year 2020-21 approved by the shareholders at the 35th Annual General Meeting held on July 29, 2021, the Company paid the final equity dividend of 130% (₹ 13/- per equity share of nominal face value of ₹ 10/- each fully paid up) aggregating to ₹ 85,80,65,286/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of final equity dividend was July 22, 2021 and the payment was made on August 21, 2021. With this the total dividend for the financial year 2020-21 is ₹ 33 /- per share (i.e. 330 %).

The Board of Directors in their meeting held on March 26, 2021 declared second interim equity dividend of 100% (₹ 10/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2020-21, amounting to ₹ 66,00,50,220/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim dividend was April 07, 2021 and the payment was done on April 19, 2021.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 24: EQUITY SHARE CAPITAL (Contd.)

The Board of Directors in their meeting held on November 2, 2020 declared first interim equity dividend of 100% (₹ 10/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2020-21, amounting to ₹ 66,00,43,220/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim dividend was November 12, 2020 and the payment was done on November 27, 2020.

Refer note 43 - Capital for the Company's objectives, policies and processes for managing capital

NOTE 25: OTHER EQUITY

₹ in Lakhs

Particulars	Amount
Share application money pending allotment	
As at March 31, 2020	-
As at March 31, 2021	-
As at March 31, 2022	-
Capital Reserve	
As at March 31, 2020	**7,871.88**
As at March 31, 2021	**7,871.88**
As at March 31, 2022	**7,871.88**
Securities Premium Account	
As at March 31, 2020	**1,75,518.91**
Add: Premium on shares issued under Employee Stock Option Plan	5.28
As at March 31, 2021	**1,75,524.19**
Add: Premium on shares issued under Employee Stock Option Plan	5,180.44
As at March 31, 2022	**1,80,704.63**
Share Option Outstanding	
As at March 31, 2020	**29.35**
Add: Expenses on Employee Stock Option Plan (Refer Note No. 37)	1,847.93
Less: Adjustment on exercise of Employee Stock Option Plan	(4.76)
As at March 31, 2021	**1,872.52**
Add: Expenses on Employee Stock Option Plan (Refer Note No. 37)	9,867.63
Less: Adjustment on exercise of Employee Stock Option Plan	(3,373.76)
As at March 31, 2022	**8,366.39**
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at March 31, 2020	**1,28,431.30**
Add: Amount transferred from retained earnings	20,490.00
As at March 31, 2021	**1,48,921.30**
Add: Amount transferred from retained earnings	21,760.00
As at March 31, 2022	**1,70,681.30**
Capital Redemption Reserve	
As at March 31, 2020	**2,328.98**
As at March 31, 2021	**2,328.98**
As at March 31, 2022	**2,328.98**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 25: OTHER EQUITY (Contd.)

₹ in Lakhs

Particulars	Amount
General Reserve	
As at March 31, 2020	**1,01,124.46**
Add: Amount transferred from retained earnings	10,250.00
As at March 31, 2021	**1,11,374.46**
Add: Amount transferred from retained earnings	10,880.00
As at March 31, 2022	**1,22,254.46**
Retained Earnings	
As at March 31, 2020	**3,00,512.26**
Add: Profit for the year	1,01,094.42
Add / (less): Appropriations and other adjustments	
Interim equity dividend FY 2020-21	(13,200.93)
Transfer to statutory reserve	(20,490.00)
Transfer to general reserve	(10,250.00)
As at March 31, 2021	**357,665.75**
Add: Profit for the year	108,619.50
Add / (less): Appropriations and other adjustments	
Final equity dividend FY 2020-21	(8,580.65)
Interim equity dividend FY 2021-22	(24,598.30)
Transfer to statutory reserve	(21,760.00)
Transfer to general reserve	(10,880.00)
As at March 31, 2022	**400,466.30**
Other Comprehensive Income	
As at March 31, 2020	**(1,621.86)**
Remeasurement gain / (loss) on defined benefit plan	1,178.74
Gain / (loss) on fair valuation of quoted investments in equity shares	768.97
Income tax provision / (reversal) on above	(632.84)
As at March 31, 2021	**(306.99)**
Remeasurement gain / (loss) on defined benefit plan	(157.43)
Gain / (loss) on fair valuation of quoted investments in equity shares	(2,171.10)
Income tax provision / (reversal) on above	546.42
As at March 31, 2022	**(2,089.10)**
Money received against share warrants	
As at March 31, 2020	**-**
As at March 31, 2021	**-**
As at March 31, 2022	**-**
Total other equity	
As at March 31, 2020	**714,195.28**
As at March 31, 2021	**805,252.09**
As at March 31, 2022	**890,584.84**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 25: OTHER EQUITY (Contd.)

Proposed Dividend on equity shares

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
The Board proposed dividend on equity shares		
Proposed dividend on equity shares for the year ended on March 31, 2022: Nil (March 31, 2021: ₹ 13.00) per share	-	8,580.65
Total	**-**	**8,580.65**

Nature and purpose of reserves

Capital Reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

Securities Premium Account: The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium account. This amount can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Share Option Outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 37 for further details of these plans.

Statutory Reserve: Every year the Company transfers a of sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934. The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal. Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1) the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order. Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

General Reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve and dividend distributed to shareholders.

Other Comprehensive Income: Other comprehensive income consists of remeasurement of net defined benefit liability/ asset, FVTOCI financial liabilities and financial assets

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 26: INTEREST INCOME

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial assets measured at amortised cost		
Interest on Loans	5,99,044.94	5,42,044.23
Interest income from investments	3,985.46	2,799.65
Interest on deposits with Banks		
- Margin money deposit	3,224.81	4,163.87
- Other deposits	14,763.11	8,144.84
Interest on Others	404.58	3.27
Total	**6,21,422.90**	**5,57,155.86**

NOTE 27: FEES AND COMMISSION INCOME

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income from commission services	3,410.48	3,066.09
Income from collection services	5,879.01	236.97
Income from other services	3,416.93	1,301.56
Unwinding of financial guarantee obligation	-	117.13
Total	**12,706.42**	**4,721.75**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Type of Services or Service		
Fee and commission income	12,706.42	4,604.62
Total revenue from contract with customers	**12,706.42**	**4,604.62**
Geographical markets		
India	12,706.42	4,604.62
Outside India	-	-
Total revenue from contract with customers	**12,706.42**	**4,604.62**
Timing of revenue recognition		
Services transferred at a point in time	9,384.16	3,414.15
Services transferred over time	3,322.26	1,190.47
Total revenue from contracts with customers	**12,706.42**	**4,604.62**

Contract Balance

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Trade Receivables	463.61	239.62
Less: Impairment loss allowances	(24.52)	(9.63)
Net Trade Receivables	**439.09**	**229.99**
Contract Assets	-	-
Total	**439.09**	**229.99**

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 28: NET GAIN / (LOSS) ON FAIR VALUE CHANGES

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	59.50	131.95
- Derivatives	-	-
Total Net gain/(loss) on fair value changes	**59.50**	**131.95**
Fair Value changes		
- Realised	-	-
- Unrealised	59.50	131.95
Total Net gain/(loss) on fair value changes	**59.50**	**131.95**

NOTE 29: FINANCE COST

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial liabilities measured at amortised cost		
Interest expense on:-		
Fixed Deposits	54,438.57	42,630.98
Subordinated liabilities	-	612.93
Borrowings (other than debt securities)		
-Loans from Banks	75,728.56	73,250.09
-Loans from Financial Institution/ NBFC	23,047.79	10,854.27
-Loans from Banks- Securitisation	2,770.96	4,295.51
-Loans from Financial Institution/ NBFC- Securitisation	26,555.27	27,114.83
-Loans from Banks - Demand Loan against Fixed Deposits	129.40	-
-Working Capital Demand Loans	16,819.31	15,947.32
-Cash Credit	647.70	1,922.69
-Commercial Paper	-	35.67
Debt securities	51,087.59	34,839.48
Interest on Tax Liability	185.36	89.02
Interest on Defined Benefit Plans	-	77.52
Finance Cost on Lease liability	1,842.01	1,718.12
Total	**2,53,252.52**	**2,13,388.43**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 30: IMPAIRMENT ON FINANCIAL INSTRUMENTS

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial instruments measured at amortised cost		
Loans and advances to customers (Refer Note No. 68.8)	3,468.52	107.68
Others		
- Undrawn Commitments	7.56	185.96
- Trade receivables	14.89	6.27
- Assignment Receivables	21.08	(20.65)
- Investment Through PTC	0.08	6.47
Total	**3,512.13**	**285.73**

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

YEAR ENDED MARCH 31, 2022

₹ in Lakhs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	(559.85)	963.76	3,064.61	-	-	3,468.52
Others						
- Undrawn Commitments	7.56	-	-	-	-	7.56
- Trade receivables	-	-	-	-	14.89	14.89
- Assignment Receivables	-	-	-	-	21.08	21.08
- Investment Through PTC	-	-	-	-	0.08	0.08
Total impairment loss	**(552.29)**	**963.76**	**3,064.61**	**-**	**36.05**	**3,512.13**

Year ended March 31, 2021

₹ in Lakhs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	4,441.80	5,470.44	(9,804.56)	-	-	107.68
Others						
- Undrawn Commitments	185.96	-	-	-	-	185.96
- Trade receivables	-	-	-	-	6.27	6.27
- Assignment Receivables	-	-	-	-	(20.65)	(20.65)
- Investment Through PTC	-	-	-	-	6.47	6.47
Total impairment loss	**4,627.76**	**5,470.44**	**(9,804.56)**	**-**	**(7.91)**	**285.73**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 31: EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, other allowances and bonus	79,638.33	67,880.14
Contribution to provident and other funds	5,639.10	4,830.88
Staff welfare expenses	1,523.78	1,101.34
Gratuity expenses (Refer Note No. 38)	567.80	705.78
Share based payments to employees	9,867.63	1,847.93
Total	**97,236.64**	**76,366.07**

NOTE 32: DEPRECIATION, AMORTISATION AND IMPAIRMENT

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of tangible assets	2,224.04	2,551.12
Amortisation of intangible assets	148.71	138.15
Amortisation on right of use assets (Refer Note No. 15)	5,462.74	5,294.87
Total	**7,835.49**	**7,984.14**

NOTE 33: OTHER EXPENSES

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power and fuel	891.48	814.49
Repairs and maintenance		
- Buildings	1,245.00	1,108.89
- Office equipments	56.19	38.84
Office expenses	1,412.37	1,501.86
Rates and taxes	1,970.31	1,460.84
Printing and stationery	2,295.31	1,692.62
Travelling and conveyance	3,156.36	1,834.56
Advertisement	1,291.31	292.09
Business promotion	5,231.21	4,640.93
Directors' sitting fees	69.22	41.97
Insurance	488.16	436.69
Communication expenses	3,067.28	2,345.57
Bank charges	1,586.62	1,586.11
Legal and professional fees	1,906.93	1,159.24
Loss on sale of property, plant and equipment (net)	-	12.12
CSR expenses (Refer Note No. 88)	3,167.57	2,195.23
Miscellaneous expenses	1,813.15	1,045.02
Auditor fees*		
(a) Audit fees	46.95	39.57
(b)Tax audit fees	6.65	6.59
(c)Certification fees	1.65	9.86
(d) Out of pocket	6.59	0.58
Total	**29,710.31**	**22,263.67**

* Includes fees paid to previous Statutory auditors for financial year 2021-22

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 34: INCOME TAX

34.1 The components of income tax expense are:

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	38,975.40	46,219.68
Tax adjustment for earlier years	334.21	-
Deferred tax relating to origination and reversal of temporary differences	(1,804.74)	(8,375.35)
Total tax charge	**37,504.87**	**37,844.33**

34.2 Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate is, as follows:

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	**1,46,124.37**	**1,38,938.75**
At India's statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	36,776.58	34,968.09
Total Tax	**36,776.58**	**34,968.09**
Corporate social responsibility & Donation expenditure not allowable for tax purpose	798.60	552.50
Deduction under chapter VIA of the Income Tax Act, 1961 (80JJAA)	(383.21)	(198.92)
Tax impact of bonus payable to employees allowable on payment basis	-	1,035.21
Others	312.90	1,487.45
Income tax expense reported in the statement of profit or loss	**37,504.87**	**37,844.33**
Effective income tax rate %	25.67%	27.24%

34.3 Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

₹ in Lakhs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Statement of profit & loss	OCI
	As at March 31, 2022	As at March 31, 2022	Year ended March 31, 2022	Year ended March 31, 2022
Property, plant and equipment and intangible assets	1,817.47	-	3.32	-
Net Right to use asset and future rent liability	419.54	-	(132.92)	-
Expenses allowable for tax purpose when paid	2,712.20	-	(1,639.68)	-
EIR impact on debt instrument measured at amortised cost	133.34	6.80	(107.55)	-
Impact of fair valuation on investments measured at fair value through profit and loss account	594.56	73.88	14.98	(546.42)
Impact of amortisation of processing fees on loans and advances	79.29	-	213.53	-
Provision for impairment of financial assets at amortised cost	9,224.16	-	(246.67)	-
Other temporary differences	564.96	298.40	90.25	-
Total	**15,545.52**	**379.08**	**(1,804.74)**	**(546.42)**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 34: INCOME TAX (Contd.)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in Lakhs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Statement of profit & loss	OCI
	As at March 31, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Property, plant and equipment and intangible assets	1,820.79	-	(98.22)	-
Net Right to use asset and future rent liability	286.62	-	(163.29)	-
Expenses allowable for tax purpose when paid	1,072.52	-	961.59	439.31
EIR impact on debt instrument measured at amortised cost	44.41	25.43	(113.69)	-
Impact of fair valuation on investments measured at fair value through profit and loss account	48.14	58.90	33.21	193.53
Impact of amortisation of processing fees on loans and advances	292.82	-	144.28	-
Provision for impairment of financial assets at amortised cost	9,090.12	-	(9,090.12)	-
Other temporary differences	244.19	-	(49.11)	-
Total	**12,899.61**	**84.33**	**(8,375.35)**	**632.84**

34.4 Amount recognised in respect of current tax/ deferred tax directly in equity:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Amount recognised in respect of current tax / deferred tax directly in equity	-	-

34.5 Tax losses and Tax credits

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unused capital gains tax losses for which no deferred tax asset has been recognised	-	-
Unused tax credits-MAT credit entitlement	-	-

34.6 Current Tax Assets (Net)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision for tax) [provision for income tax March 31, 2022: ₹ 4,05,135.65 Lakhs March 31, 2021: ₹ 3,65,826.04 Lakhs]	2,665.62	4,502.79
Total	**2,665.62**	**4,502.79**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 35: EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares and issue of Employee stock options.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net profit after tax as per statement of profit and loss (₹ in Lakhs) (A)	1,08,619.50	1,01,094.42
Weighted average number of equity shares for calculating basic earnings per share (₹ in Lakhs) (B)	661.68	660.04
Effect of dilution:		
Stock options granted under ESOP (Nos. in Lakhs)	4.00	1.54
Weighted average number of equity shares for calculating diluted earnings per share (₹ in Lakhs) (C)	665.68	661.58
Earnings per equity share (face value ₹ 10/- per equity share)		
Basic earnings per share (₹) (A/B)	164.16	153.16
Diluted earnings per share (₹) (A/C)	163.17	152.81

NOTE 36: INVESTMENT IN SUBSIDIARY

Name of the subsidiary	Country of Incorporation	Principal place of business	Principal activities	For the year ending	No. of Equity Shares Held (FV of ₹ 10 /- each)	% of equity interest
Shriram Housing Finance Limited	India	Mumbai	Housing Finance	March 31, 2022	27,65,51,112	85.02%
				March 31, 2021	16,54,40,000	77.25%

The Company has recognised its investment in subsidiary at cost.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 37: EMPLOYEE STOCK OPTION PLAN

37.1 Employee Stock Option Plan (2006)

The Company provides share-based payment schemes to its Employees. There are two ongoing Employee stock option schemes:-

SCUF EMPLOYEE STOCK OPTION SCHEME 2006

37.1.1. This employee equity-settled compensation scheme known as **Shriram City Union Finance Limited Employees Stock Option Scheme 2006** ("SCUF ESOP Scheme 2006" or the "Scheme"). The scheme is approved and authorised by the shareholders of the Company at the Extra Ordinary General Meeting held on October 30, 2006.

Under the said scheme the Board of Directors has granted following number of options to eligible employees of the Company.

Particulars	Grant Date	No of Options Granted
Series I	October 19, 2007	13,55,000

The option shall vest in the hands of the Option holder after a minimum period of 12 months from the date of grant of option or such longer period as may be determined by the Committee subject to the condition that the Option grantee continues to be an employee of the Company and the performance or other conditions as may be determined by the Committee. The maximum period of vesting shall be 10 years from the date of grant.

The options vested shall be exercised within period of ten years from the vesting date. When exercisable, each option is convertible into one equity share. Any option granted shall be exercisable according to the terms and conditions as determined by the Scheme.

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Weighted Average exercise price per share per option ₹	Number of Options	Weighted Average exercise price per share per option ₹	Number of Options
Outstanding at the beginning of the period	**35**	**10,860**	**35**	**12,960**
Granted during the period	-	-	-	-
Exercised during the period	-	-	35	2,100
Forfeited during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	**35**	**10,860**	**35**	**10,860**
Weighted average share price (₹)*	1,846.02	-	953.84	-
Weighted average remaining contractual life of options outstanding at the end of the year	-	4.74	-	0.55

* based on market price on National Stock Exchange Limited where maximum volume of the shares of the Company were traded during the year

37.1.2. Fair value of the options granted:

The Company has recorded employee stock-based compensation expense relating to the options granted to the employees on the basis of fair value of options.

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 37: EMPLOYEE STOCK OPTION PLAN (Contd.)

Fair value and assumptions for the equity-settled grants under the Scheme is as under;

Particulars	Series I			
Grant Date	October 19, 2007	October 19, 2007	October 19, 2007	October 19, 2007
Vesting Date	10% of grant on October 19, 2008	20% of grant on October 19, 2009	30% of grant on October 19, 2010	40% of grant on October 19, 2011
Exercise Price (in ₹)	35	35	35	35
Fair value of option	227.42	227.42	227.42	227.42
Input Variables:				
Standard deviation (Volatility)	55.36%	55.36%	55.36%	55.36%
Risk-free rate	7.70%	7.67%	7.66%	7.67%
Time to maturity (in years)	1.5	2.5	3.5	4.5
Expected Dividend per annum (₹)	3	3	3	3
Dividend yield	0.84%	0.84%	0.84%	0.84%

37.2 Employee Stock Option Plan (2013)

37.2.1 This employee equity-settled compensation scheme known as **Shriram City Union Finance Limited Employees Stock Option Scheme 2013** ("SCUF ESOP Scheme 2013" or the "Scheme"). The scheme is approved and authorised by the shareholders of the Company at the Extraordinary General Meeting held on May 31, 2013.

Under the said scheme the Nomination and Remuneration Committee of the Board of Directors has granted following number of options on various dates to eligible employees of the Company.

Particulars	Grant Date	No. of Options
Grant I	August 11, 2020	3,00,221
Grant II	November 2, 2020	3,00,030
Grant III	January 29, 2021	3,15,396
Grant IV	July 29, 2021	3,02,601
Grant V	October 27, 2021	3,03,270
Grant VI	January 28, 2022	3,01,582

The options shall vest in the hands of the Option holder after a minimum period of 12 months from the date of grant of option or such longer period as may be determined by the Committee subject to the condition that the Option grantee continues to be an employee of the Company and the performance or other conditions as may be determined by the Committee. The maximum period of vesting shall be 5 years from the date of grant.

The options vested shall be exercised within period of ten years from the vesting date. When exercisable, each option is convertible into one equity share. Any option granted shall be exercisable according to the terms and conditions as determined by the Scheme.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 37: EMPLOYEE STOCK OPTION PLAN (Contd.)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Weighted Average exercise price per share per option ₹	Number of Options	Weighted Average exercise price per share per option ₹	Number of Options
Outstanding at the beginning of the period	**300**	**9,10,453**	**-**	**-**
Granted during the period	300	9,07,453	300	9,15,647
Exercised during the period	300	6,22,994	-	-
Forfeited during the period	300	6,093	300	5,194
Expired during the period	-	-	-	-
Outstanding at the end of the period	**300**	**11,88,819**	**300**	**9,10,453**
Weighted average share price (in ₹)*	1,846.02	-	Not Applicable	Not Applicable
Weighted average remaining contractual life of options outstanding at the end of the year	-	10.09	-	10.60

* based on market price on National Stock Exchange Limited where maximum volume of the shares of the Company were traded during the year.

37.2.2 Fair value of the options granted:

The Company has recorded employee stock-based compensation expense relating to the options granted to the employees on the basis of fair value of options.

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grants under the Scheme is as under;

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI
Grant Date	11-Aug-20	2-Nov-20	29-Jan-21	29-Jul-21	27-Oct-21	28-Jan-22
Vesting Date	11-Aug-21	2-Nov-21	29-Jan-22	29-Jul-22	27-Oct-22	28-Jan-23
Exercise Price (in ₹)	300	300	300	300	300	300
Fair value of option (in ₹)	399.20	560.18	756.39	1,539.79	1,985.23	1,517.66
Input Variables:						
Share price as on grant date (in ₹)	661.80	822.75	1,018.70	1,814.10	2,257.45	1,787.90
Standard deviation (Volatility)	38.28%	44.52%	47.21%	27.52%	49.85%	53.76%
Risk-free rate	5.85%	5.88%	6.20%	4.48%	4.82%	5.03%
Time to maturity (in years)	2	2	2	2	2	2
Expected Dividend per annum (in ₹)	20	25	30	-	-	-
Dividend yield	3%	3%	3%	-	-	-

Since the SCUF ESOP scheme 2013 is already recorded by applying fair value method, the disclosure required under para 48 of guidance note on "Accounting for Employees Share Based Payments" issued by ICAI for reconciling the impact on net profit and earnings per share is not required.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 37: EMPLOYEE STOCK OPTION PLAN (Contd.)

37.2.3 Rationale for the variables used :

The variables used for calculating the fair values and their rationale are as follows:

a. Stock Price

The latest available closing market price on the National Stock Exchange (NSE) date on which options are granted has been considered for the purpose of valuation.

Under the ESOP Plan of the Company, one option entitles an employee to one equity share of the Company.

b. Volatility

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.

The period to be considered for volatility must be adequate to represent a consistent trend in the price movements. Accordingly, the annualised volatility has been computed based on the share price data of past one year, from the date of the valuation.

The fair value is very sensitive to this variable. Higher the volatility, higher is the fair value. The rationale being, the more volatile a stock is, the more is its potential to go up (or come down), and the more is the probability to gain from the movement in the price. Accordingly, an option to buy a highly volatile stock is more valuable than the one to buy a less volatile stock, since the probability of gaining is lesser in the latter case.

c. Risk free interest rate

The risk-free interest rate being considered for the calculation is the interest rate applicable on Government securities - having 10 year maturity period.

d. Exercise price

We have considered the exercise price of the options granted to employees based on the Scheme approved by the Board of Directors.

e. Time to maturity / expected life of options

Time to maturity / expected life of options is the period from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised and maximum life is the period after which the options cannot be exercised.

Considering the deep discount on the market price i.e. 55% to 70%, it is expected that the options will be exercised in 1 year from the vesting date. As such the average expected life of options is considered at 2 years.

37.2.4 Effect of the employee share-based payment plans on the profit and loss account and on its financial position

The Company has recorded employee stock-based compensation cost of ₹ 9,867.63 Lakhs in the Statement of profit and loss for the year ended March 31, 2022 (March 31, 2021: ₹ 1,847.93 Lakhs).

The share option outstanding in the Balance Sheet as at March 31, 2022 is ₹ 8,366.39 Lakhs (March 31, 2021: ₹ 1,872.52 Lakhs)

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 38: RETIREMENT BENEFIT PLAN

a. Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 4,447.69 Lakhs (March 31, 2021: ₹ 3,745.45 Lakhs) for Provident fund contributions and ₹ 1,074.50 Lakhs (March 31, 2021: ₹ 1,011.95 Lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b. Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current service cost	565.39	705.78
Interest expense	370.58	397.87
Interest Income	(471.80)	(320.35)
Past Service Cost	-	-
Components of defined benefit costs recognised in statement of profit and loss (A)	**464.17**	**783.30**
Remeasurement of gains/(losses) in other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expense)	(23.30)	(63.24)
Actuarial changes arising from changes in demographic assumptions	(25.26)	19.71
Actuarial changes arising from changes in financial assumptions	(230.61)	(873.77)
Experience adjustments	436.60	(261.45)
Components of defined benefit costs recognised in other comprehensive income (B)	**157.43**	**(1,178.75)**
Total (A+B)	**621.60**	**(395.45)**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 38: RETIREMENT BENEFIT PLAN (Contd.)

Movement in the present value of the defined benefit obligation are as follows :

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	5,402.03	5,816.83
Expenses recognised in statement of profit and loss :		
Current service cost	565.39	705.78
Interest expense/(income)	370.58	397.87
Recognised in other comprehensive income remeasurement gains/(losses)	180.73	(1,115.50)
Past service cost	-	-
Liability transferred in/acquisitions	(5.03)	(13.48)
Benefits paid from the fund	(430.62)	(389.47)
Present value of defined obligation at the end of the year	**6,083.08**	**5,402.03**

Change in the Fair value of plan assets :

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the beginning of the year	**6,877.58**	**4,683.46**
Interest income	471.80	320.35
Contributions by the employer	-	2,200.00
Benefits paid from the fund	(430.62)	(389.47)
Return on plan assets excluding interest income	23.30	63.24
Fair value of plan assets at the end of the year	**6,942.06**	**6,877.58**

Calculation of benefit liability/(asset) :

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation	6,083.08	5,402.03
Fair value of plan assets	6,942.06	6,877.58
Benefit liability	**(858.98)**	**(1,475.55)**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Expected return on plan assets	7.23%	6.86%
Rate of discounting	7.23%	6.86%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 19.00% p.a. For service 5 years and above 3.20% p.a	For service 4 years and below 27.00% p.a. For service 5 years and above 4.00% p.a
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ult
Mortality rate after employment	N.A	N.A

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 38: RETIREMENT BENEFIT PLAN (Contd.)

Investments quoted in active markets:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Investment Funds	6,942.06	6,877.58
Total	**6,942.06**	**6,877.58**

₹ in Lakhs

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2022	Impact on defined benefit obligation March 31, 2021
Discount rate	1% increase	(555.64)	(486.79)
	1% decrease	658.93	576.72
Future salary increases	1% increase	659.01	576.14
	1% decrease	(564.34)	(494.25)
Attrition rate	1% increase	127.08	87.75
	1% decrease	(146.37)	(101.62)

₹ in Lakhs

Expected payment for future years	As at March 31, 2022	As at March 31, 2021
Within the next 12 months (next annual reporting period)	633.92	534.59
Between 2 and 5 years	1,513.58	1,429.33
Between 5 and 10 years	1,880.30	1,724.74
Beyond 10 years	11,318.42	9,052.02
Total expected payments	**15,346.22**	**12,740.68**

Due to excess portion in funding, no further sunding is required in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2022 is 12 years (March 31, 2021: 11 years).

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 38: RETIREMENT BENEFIT PLAN (Contd.)

Compensated Absences

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Rate of discounting	7.23%	6.86%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	19.00%	27.00%
Service 5 years and above	3.20%	4.00%
Mortality	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2006-08)

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Expenses recognised in statement of profit and loss	280.47	88.34

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2022.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 39: MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ in Lakhs

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	5,21,731.36	-	5,21,731.36	3,81,528.17	-	3,81,528.17
Bank Balance other than above	1,25,117.17	14,430.28	1,39,547.45	1,22,953.17	16,954.95	1,39,908.12
Receivables						
- Trade Receivables	439.09	-	439.09	229.99	-	229.99
- Other Receivables	-	-	-	-	-	-
Loans	17,74,874.57	13,27,510.31	31,02,384.88	15,34,058.56	12,07,953.08	27,42,011.64
Investments	33,948.01	1,49,680.23	1,83,628.24	66,946.31	34,785.93	1,01,732.24
Other financial assets	1,171.12	3,628.56	4,799.68	874.43	3,379.00	4,253.43
Non-financial Assets						
Current tax assets (net)	-	2,665.62	2,665.62	-	4,502.79	4,502.79
Deferred tax assets (net)	-	15,166.44	15,166.44	-	12,815.28	12,815.28
Property, plant and equipment	-	6,414.65	6,414.65	-	6,437.72	6,437.72
Intangible assets	-	189.16	189.16	-	204.44	204.44
Right-of-use assets	-	16,260.25	16,260.25	-	15,618.41	15,618.41
Other non-financial assets	2,471.08	11,066.53	13,537.61	1,603.29	10,157.99	11,761.28
Total assets	**24,59,752.40**	**15,47,012.03**	**40,06,764.43**	**21,08,193.92**	**13,12,809.59**	**34,21,003.51**
LIABILITIES						
Financial Liabilities						
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	6.39	-	6.39	18.90	-	18.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,049.95	-	4,049.95	6,729.05	-	6,729.05
Debt Securities	3,41,281.91	3,10,232.19	6,51,514.10	1,79,481.81	2,46,881.19	4,26,363.00
Borrowings (other than debt security)	9,28,719.79	8,00,109.03	17,28,828.82	9,73,788.98	6,03,490.16	15,77,279.14
Deposits	2,12,669.67	4,70,168.97	6,82,838.64	1,62,962.13	3,89,926.65	5,52,888.78
Other financial liabilities	15,455.47	17,927.21	33,382.68	24,205.29	16,757.24	40,962.53
Non-financial Liabilities						
Provisions	2,659.89	-	2,659.89	2,631.25	-	2,631.25
Other non-financial liabilities	6,236.32	-	6,236.32	2,278.27	-	2,278.27
Total Liabilities	**15,11,079.39**	**15,98,437.40**	**31,09,516.79**	**13,52,095.68**	**12,57,055.24**	**26,09,150.92**
Net	**9,48,673.01**	**(51,425.37)**	**8,97,247.64**	**7,56,098.24**	**55,754.35**	**8,11,852.59**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 40: CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities during 2021-22

₹ in Lakhs

Particulars	As at March 31, 2021	Cash Flows	Exchange difference	Others *	As at March 31, 2022
At Amortised Cost					
Debt Securities					
- NCD Public Issue	86,924.21	(48,392.67)	-	370.87	38,902.41
- NCD Institutional	3,39,438.79	2,76,801.97	-	(3,629.07)	6,12,611.69
Subordinated Liabilities					
- Sub Debt Retail	-	-	-	-	-
Borrowings other than debt securities					
- Term Loan from Banks	7,62,526.16	1,20,757.38	-	(1,164.35)	8,82,119.19
- Term Loan from Institution	2,63,930.95	78,371.27	-	(180.45)	3,42,121.77
- Term Loan from Bank- Securitisation	38,605.98	(19,898.40)	-	153.37	18,860.95
- Term Loan from financial Institution/ NBFC- Securitisation	2,99,853.14	(1,10,566.05)	-	1,865.59	1,91,152.68
- Demand Loan against Fixed Deposits	-	36,000.00	-	-	36,000.00
- Cash Credit from Banks	35,847.57	(12,855.10)	-	-	22,992.47
- Working Capital Demand Loans	1,76,515.34	59,066.42	-	-	2,35,581.76
Deposits					
- Public Deposits	5,52,881.69	1,30,392.75	-	(824.42)	6,82,450.02
- Recurring deposits	7.09	381.53	-	-	388.62
Total	**25,56,530.92**	**5,10,059.10**	**-**	**(3,408.46)**	**30,63,181.56**

* Represents adjustments on account of processing fees and other transaction cost.

Changes in liabilities arising from financing activities during 2020-21

₹ in Lakhs

Particulars	As at March 31, 2020	Cash Flows	Exchange difference	Others *	As at March 31, 2021
At Amortised Cost					
Debt Securities					
- NCD Public Issue	84,955.43	918.31	-	1,050.47	86,924.21
- NCD Institutional	3,61,872.22	(18,596.05)	-	(3,837.38)	3,39,438.79
Subordinated Liabilities					
- Sub Debt Retail	23,923.91	(23,961.29)	-	37.38	-
Borrowings other than debt securities					
- Term Loan from Banks	7,89,133.69	(23,096.74)	-	(3,510.79)	7,62,526.16
- Term Loan from Institution	64,040.47	2,00,077.41	-	(186.93)	2,63,930.95
- Term Loan from Bank- Securitisation	58,553.69	(20,225.24)	-	277.53	38,605.98
- Term Loan from financial Institution/ NBFC- Securitisation	3,19,206.50	(19,250.56)	-	(102.80)	2,99,853.14
- Cash Credit from Banks	48,037.90	(12,190.33)	-	-	35,847.57
- Working Capital Demand Loans	1,54,488.98	22,026.36	-	-	1,76,515.34
- Commercial paper	11,164.33	(11,200.00)	-	35.67	-
Deposits					
- Public Deposits	4,01,206.80	1,52,815.49	-	(1,140.60)	5,52,881.69
- Recurring deposits	-	7.09	-	-	7.09
Total	**23,16,583.92**	**2,47,324.45**	**-**	**(7,377.45)**	**25,56,530.92**

* Represents adjustments on account of processing fees and other transaction cost.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 41: CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent Liabilities

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a. In respect of Income tax demands where the Company has filed appeal before various authorities	116.45	116.45
b. VAT demand where the Company has filed appeal before various Appellate	259.95	259.95
c. Service tax demand	8,019.29	8,019.29
Total	**8,395.69**	**8,395.69**

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(B) Commitments not provided for

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	559.36	302.41
b. Commitments related to loans sanctioned but undrawn	6,402.47	5,378.39

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 42: RELATED PARTY DISCLOSURE

Relationship			Name of the party
(i)	Enterprises having significant influence over the Company	:	Shriram Capital Limited (SCL)
			Shriram Ownership Trust (SOT)
			Dynasty Acquisition FPI Limited (DAFL)
(ii)	Subsidiary	:	Shriram Housing Finance Limited (SHFL)
(iii)	Associates *	:	Insight Commodities and Futures Private Limited (ICFPL)
			Shriram Asset Management Company Limited (SAMCL)
			Shriram Credit Company Limited (SCCL)
			Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)
			Shriram Financial Ventures (Chennai) Private Limited (SFVPL)
			Shriram Fortune Solutions Limited (SFSL)
			Shriram General Insurance Company Limited (SGICL)
			Shriram Insight Share Brokers Limited (SISBL)
			Shriram Life Insurance Company Limited (SLICL)
			Shriram Overseas Investments Private Limited (SOIPL)
			Shriram Wealth Advisors Limited (SWAL)
			Shriram Value Services Limited (SVSL)
			Bharath Investments Pte. Limited, Singapore (BIPL)
			SGI Philippines General Insurance Co. Inc. (SGIPGICI)
			Novac Technology Solutions Private Limited (NTSPL)
			Novac Digital Services Private Limited (formerly Techfactory Services Private Limited) (NDSPL)
			Shriram LI Holdings Private Limited (formerly Snottor Technology Services Private Limited) (SLHPL)
			SEA Funds Management India Private Limited(SFMIPL)
			Way2wealth Insurance Brokers Private Limited(WIBPL)
			Way2wealth Securities Private Limited(WSPL)
			Way2wealth Brokers Private Limited(WBPL)
			Way2wealth Commodities Private Limited(WCPL)
			Shriram GI Holdings Private Limited(formerly Oner Infotech Services Private Limited)(SGHPL)
			Shriram Investment Holdings Limited(SIHL)
(iv)	Key Management Personnel	:	Sri Y.S. Chakravarti, Managing Director
			Sri Debendranath Sarangi, Chairperson
			Sri R Duruvasan, Director
			Sri Diwakar Bhagwati Gandhi, Director
			Smt Maya S Sinha, Director
			Sri Shashank Singh, Director
			Sri Venkataraman Murali, Director
			Sri Ignatius Michael Viljoen, Director
			Sri Umesh G Revankar, Director (w.e.f. December 14, 2021)
			Sri Pranab Prakash Pattanayak, Director (Resigned w.e.f January 05, 2022)
			Late Sri C R Muralidharan, Director (Ceased w.e.f October 08, 2020)
			Sri R Chandrasekar, Chief Financial Officer
			Sri C R Dash, Company Secretary

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 42: RELATED PARTY DISCLOSURE (Contd.)

Relationship		Name of the party
(v) Relatives of Key Management Personnel	:	Relatives of Sri Y.S. Chakravarti, Managing Director & CEO
		Late Sri Satyanarayana Y (Father)
		Smt Rajamannar (Mother)
		Smt Sujata Yalamati (Spouse)
		Sri Sree Bhargav (Son)
		Ms. Nayana Sri (Daughter)
		Smt Aruna S (Sister)
		Smt Rama Devi D (Sister)
		Sri S R Krishna (Sister's husband)
		Sri Venkateswara Rao D (Sister's husband)
		Sri M S R Choowdary (Brother of spouse)

* The Company neither holds any shares in the above entities nor these entities hold any shares in the Company except Shriram Value Services Limited (SVSL) - Shriram Financial Ventures (Chennai) Private Limited (SFVPL). However these entities are "subsidiaries/ associates" of Shriram Capital Limited and hence these entities are treated as "associates" as per paragraph 9(b)(ii) of IND- AS 24 and transactions made with these entities are disclosed.

There are no transactions with relatives of Key Management Personnel for the year ended March 31, 2022.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 42: RELATED PARTY DISCLOSURE (Contd.)

RELATED PARTY TRANSACTIONS DURING THE YEAR

₹ in Lakhs

Particulars	Enterprises having significant influence over the Company		Subsidiary Company		Associates		Key Management Personnel		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Payments / Expenses										
Royalty to SVSL	-	-	-	-	7,076.06	6,254.89	-	-	7,076.06	6,254.89
Commission & Other expenses- SFPSPL	-	-	-	-	3,302.40	3,037.05	-	-	3,302.40	3,037.05
Commission & Other expenses- SFSL	-	-	-	-	3,582.38	3,610.18	-	-	3,582.38	3,610.18
Commission & Other expenses- SISBL	-	-	-	-	72.24	135.59	-	-	72.24	135.59
Commission & Other expenses- SWAL	-	-	-	-	13.45	3.59	-	-	13.45	3.59
Commission & Other expenses- WSPL	-	-	-	-	2.14	-	-	-	2.14	-
Interest Expenses- SFPSPL	-	-	-	-	46.31	95.24	-	-	46.31	95.24
Interest Expenses- SLICL	-	-	-	-	604.92	603.84	-	-	604.92	603.84
Interest Expenses - SAMCL	-	-	-	-	88.30	63.01	-	-	88.30	63.01
Interest Expenses - SFSL	-	-	-	-	12.57	-	-	-	12.57	-
Interest Expenses- SGICL	-	-	-	-	168.66	-	-	-	168.66	-
Insurance - SGICL	-	-	-	-	486.61	435.22	-	-	486.61	435.22
Insurance - SLICL	-	-	-	-	690.77	486.39	-	-	690.77	486.39
Professional Charges to NTSPL	-	-	-	-	5,800.46	5,461.61	-	-	5,800.46	5,461.61
Reimbursement of Rent and other expenses- SCL	-	0.13	-	-	-	-	-	-	-	0.13
Fees to SCL	2,031.07	1,934.36	-	-	-	-	-	-	2,031.07	1,934.36
Rent and other expenses to SHFL	-	-	10.99	86.38	-	-	-	-	10.99	86.38
Payment for Assignment to SHFL	-	-	4,195.44	2,550.74	-	-	-	-	4,195.44	2,550.74
Investments in shares of SHFL	-	-	50,000.00	-	-	-	-	-	50,000.00	-
Payments to Key Managerial Personnel (MD, CFO & CS)										
Short–term employee benefits	-	-	-	-	-	-	192.70	168.50	192.70	168.50
Post–employment pension (defined contribution)	-	-	-	-	-	-	31.78	24.81	31.78	24.81
Other long term employee benefits	-	-	-	-	-	-	17.31	6.91	17.31	6.91
Directors Sitting Fees	-	-	-	-	-	-	69.22	41.97	69.22	41.97
Equity dividend to SCL	11,185.80	4,474.32	-	-	-	-	-	-	11,185.80	4,474.32

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 42: RELATED PARTY DISCLOSURE (Contd.)

₹ in Lakhs

Particulars	Enterprises having significant influence over the Company		Subsidiary Company		Associates		Key Management Personnel		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Equity dividend to DAFL	6,710.94	2,684.38	-	-	-	-	-	-	6,710.94	2,684.38
Equity dividend to SFVPL	-	-	-	-	112.33	97.68	-	-	112.33	97.68
Equity dividend to KMP	-	-	-	-	-	-	5.06	1.63	5.06	1.63
Equity dividend to SOT	131.86	-	-	-	-	-	-	-	131.86	-
Receipts / Income										
Commission- SGICL	-	-	-	-	525.93	596.18	-	-	525.93	596.18
Commission - SLICL	-	-	-	-	701.43	1,570.40	-	-	701.43	1,570.40
Rent Income - SFSL	-	-	-	-	16.85	14.61	-	-	16.85	14.61
Rent Income - SISBL	-	-	-	-	1.09	2.63	-	-	1.09	2.63
Rent Income - SHFL	-	-	43.32	40.36	-	-	-	-	43.32	40.36
Collection Fees Income - SHFL	-	-	3.24	1.02	-	-	-	-	3.24	1.02
Receipt for Assignment from SHFL	-	-	4,570.02	-	-	-	-	-	4,570.02	-
Interest income from Financial Guarantee- SHFL	-	-	-	117.13	-	-	-	-	-	117.13
Electricity, Telephone and other charges Received										
Expenses reimbursement -SFSL	-	-	-	-	7.26	8.06	-	-	7.26	8.06
Expenses reimbursement -SISBL	-	-	-	-	1.20	1.89	-	-	1.20	1.89
Expenses reimbursement -SLICL	-	-	-	-	-	1.22	-	-	-	1.22
Expenses reimbursement -SHFL	-	-	11.16	11.32	-	-	-	-	11.16	11.32
Balance outstanding as at										
Share Capital held by SCL	2,237.16	2,237.16	-	-	-	-	-	-	2,237.16	2,237.16
Share Capital held by DAFL	1,342.19	1,342.19	-	-	-	-	-	-	1,342.19	1,342.19
Share Capital held by SFVPL	-	-	-	-	-	48.84	-	-	-	48.84
Share Capital held by KMP	-	-	-	-	-	-	1.18	0.82	1.18	0.82
Share Capital held by SVSL	-	-	-	-	20.11	-	-	-	20.11	-
Share Capital held by SOT	48.84	-	-	-	-	-	-	-	48.84	-
Interim Dividend Payable to SCL	-	2,237.16	-	-	-	-	-	-	-	2,237.16
Interim Dividend Payable to DAFL	-	1,342.19	-	-	-	-	-	-	-	1,342.19
Interim Dividend Payable to SFVPL	-	-	-	-	-	48.84	-	-	-	48.84
Interim Dividend Payable to KMP	-	-	-	-	-	-	-	0.82	-	0.82

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 42: RELATED PARTY DISCLOSURE (Contd.)

₹ in Lakhs

Particulars	Enterprises having significant influence over the Company		Subsidiary Company		Associates		Key Management Personnel		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Investment in Shares (including deemed investment) of SHFL	-	-	66,727.91	16,727.91	-	-	-	-	66,727.91	16,727.91
Expenses Payable to SHFL	-	-	51.46	46.69	-	-	-	-	51.46	46.69
Receivable from SHFL	-	-	23.29	21.20	-	-	-	-	23.29	21.20
Royalty Payable to SVSL	-	-	-	-	1,732.25	1,641.31	-	-	1,732.25	1,641.31
Expenses Payable to SFPSPL	-	-	-	-	212.65	269.39	-	-	212.65	269.39
Expenses Payable to SFSL	-	-	-	-	288.29	306.60	-	-	288.29	306.60
Expenses Payable to SISBL	-	-	-	-	2.75	8.13	-	-	2.75	8.13
Expenses Payable to SVSL	-	-	-	-	21.83	21.83	-	-	21.83	21.83
Expenses Payable to NTSPL	-	-	-	-	225.02	191.28	-	-	225.02	191.28
Expenses Payable to SLICL	-	-	-	-	4.36	4.36	-	-	4.36	4.36
Expenses Payable to SWAL	-	-	-	-	0.52	1.59	-	-	0.52	1.59
Expenses Payable to WSPL	-	-	-	-	0.03	-	-	-	0.03	-
Deposits held by SAMCL	-	-	-	-	1,049.08	1,052.63	-	-	1,049.08	1,052.63
Deposits held by SFSL	-	-	-	-	211.19	-	-	-	211.19	-
NCDs held by SFPSPL	-	-	-	-	-	1,044.40	-	-	-	1,044.40
NCDs held by SLICL	-	-	-	-	6,630.03	6,537.11	-	-	6,630.03	6,537.11
NCDs held by SGICL	-	-	-	-	17,599.41	-	-	-	17,599.41	-
Receivable from SFSL	-	-	-	-	-	0.16	-	-	-	0.16
Receivable from SGICL	-	-	-	-	85.66	33.26	-	-	85.66	33.26
Receivable from SLICL	-	-	-	-	255.61	102.25	-	-	255.61	102.25
Receivable from NTSPL	-	-	-	-	0.40	0.40	-	-	0.40	0.40
Receivable from SFPSPL	-	-	-	-	32.26	31.78	-	-	32.26	31.78
Receivable from SVSL	-	-	-	-	23.91	23.91	-	-	23.91	23.91

Income are presented excluding GST.

Expenses are presented including GST charged off.

The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2022 and March 31, 2021.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 43: CAPITAL

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Company has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards".

₹ in Lakhs

Regulatory capital	As at March 31, 2022	As at March 31, 2021
Tier 1 Capital	8,27,252.84	7,30,641.50
Tier 2 Capital	-	-
Total capital funds	**8,27,252.84**	**7,30,641.50**
Total Risk weighted assets	**30,88,503.60**	**25,51,149.04**
Tier 1 capital ratio	26.78%	28.64%
Other Tier 2 capital ratio	0.00%	0.00%
Total capital ratio	**26.78%**	**28.64%**

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI).

NOTE 44: FAIR VALUE MEASUREMENT

44.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 5.1.(xiii)

44.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 44: FAIR VALUE MEASUREMENT (Contd.)

AS AT MARCH 31, 2022

₹ in Lakhs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	493.53	-	493.53
Equity instruments	7,515.00	-	-	7,515.00
Total financial assets held for trading	**7,515.00**	**493.53**	**-**	**8,008.53**
Total assets measured at fair value on a recurring basis	**7,515.00**	**493.53**	**-**	**8,008.53**

As at March 31, 2021

₹ in Lakhs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	434.03	-	434.03
Equity instruments	9,686.10	-	-	9,686.10
Total financial assets held for trading	**9,686.10**	**434.03**	**-**	**10,120.13**
Total assets measured at fair value on a recurring basis	**9,686.10**	**434.03**	**-**	**10,120.13**

44.3 Valuation techniques

Equity Instruments

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the net worth of the investee company.

Mutual Funds

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

44.4 Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

44.5 Movements in Level 3 financial instruments measured at fair value

There are no level 3 financial instruments measured at fair value for the year ended March 31, 2022 and March 31, 2021

44.6 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

There are no level 3 financial instruments measured at fair value for the year ended March 31, 2022 and March 31, 2021

44.7 Sensitivity of fair value measurements to changes in unobservable market data

There are no level 3 financial instruments measured at fair value for the year ended March 31, 2022 and March 31, 2021

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 44: FAIR VALUE MEASUREMENT (Contd.)

44.8 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non financial liabilities.

₹ in Lakhs

As at March 31, 2022	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	5,21,731.36	5,21,731.36	-	-	5,21,731.36
Bank balance other than cash and cash equivalents	1,39,547.45	1,39,547.45	-	-	1,39,547.45
Trade Receivables	439.09	-	-	439.09	439.09
Loans	31,02,384.88	-	-	30,34,407.68	30,34,407.68
Investments	1,75,619.71	1,09,016.89	97,702.58	117.18	2,06,836.65
Other financial assets	4,799.68	-	-	4,799.68	4,799.68
Total financial assets	**39,44,522.17**	**7,70,295.70**	**97,702.58**	**30,39,763.63**	**39,07,761.91**
Financial liabilities:					
Other Payables	4,056.34	-	-	4,056.34	4,056.34
Debt securities	6,51,514.10	-	7,07,398.31	-	7,07,398.31
Borrowings (other than debt securities)	17,28,828.82	-	17,48,740.49	-	17,48,740.49
Deposits	6,82,838.64	-	-	7,27,403.49	7,27,403.49
Other financial liabilities	33,382.68	-	-	33,382.68	33,382.68
Total financial liabilities	**31,00,620.58**	**-**	**24,56,138.80**	**7,64,842.51**	**32,20,981.31**
Off-balance sheet items					
Other commitments	6,402.47	-	-	6,402.47	6,402.47
Total off-balance sheet items	**6,402.47**	**-**	**-**	**6,402.47**	**6,402.47**

₹ in Lakhs

As at March 31, 2021	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	3,81,528.17	3,81,528.17	-	-	3,81,528.17
Bank balance other than cash and cash equivalents	1,39,908.12	1,39,908.12	-	-	1,39,908.12
Trade Receivables	229.99	-	-	229.99	229.99
Loans	27,42,011.64	-	-	27,34,662.77	27,34,662.77
Investments	91,612.11	75,386.89	43,687.54	154.53	1,19,228.96
Other financial assets	4,253.43	-	-	4,253.43	4,253.43
Total financial assets	**33,59,543.46**	**5,96,823.18**	**43,687.54**	**27,39,300.72**	**33,79,811.44**
Financial liabilities:					
Other Payables	6,747.95	-	-	6,747.95	6,747.95
Debt securities	4,26,363.00	-	4,50,674.44	-	4,50,674.44
Borrowings (other than debt securities)	15,77,279.14	-	16,11,444.38	-	16,11,444.38
Deposits	5,52,888.78	-	-	5,61,390.07	5,61,390.07
Other financial liabilities	40,962.53	-	-	40,962.53	40,962.53
Total financial liabilities	**26,04,241.40**	**-**	**20,62,118.82**	**6,09,100.55**	**26,71,219.37**
Off-balance sheet items					
Other commitments	5,378.39	-	-	5,378.39	5,378.39
Total off-balance sheet items	**5,378.39**	**-**	**-**	**5,378.39**	**5,378.39**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 44: FAIR VALUE MEASUREMENT (Contd.)

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

44.9 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: Cash and cash equivalents, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.

Financial assets at amortised cost

The fair values of financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data.

Deposits

The fair value of public deposits and deposit from corporates is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for deposits of similar tenure and scheme (cumulative/non-cumulative). Inter-corporate deposits are estimated at their carrying amounts due to the short-term maturities of these deposits.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on the carrying amounts due to the short-term maturities of these positions.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

45.1 Introduction and Risk Profile

45.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Audit & Risk management committee which is responsible for monitoring the overall risk process within the Company.

The Audit & Risk management committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Audit & Risk management committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee.

The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Audit & Risk management committee.

45.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

45.1.3 Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Audit & Risk management committee and the head of each department. The Audit & Risk management committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT (Contd.)

45.1.4 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual / Group.

45.2 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

45.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

45.2.2 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 45.2.2.1).

- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 45.2.2.2 to 45.2.2.4).
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 45.2.2.5).
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 45.2.2.5)
- The details of the ECL calculations for stage 1, stage 2 and stage 3 assets (Note 5.1.xi).

NOTE 45: RISK MANAGEMENT (Contd.)

45.2.2.1 Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

45.2.2.2 PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

45.2.2.3 Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

45.2.2.4 Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

45.2.2.5 Significant increase in credit risk (SICR)

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 45.2.2.1 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 45.2.2.6), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT (Contd.)

45.2.2.6 Forward looking information

The Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note no 68.8 for impact of COVID-19 on estimate of PD, LGD and SICR.

45.2.2.7 Grouping financial assets measured on a collective basis

As explained in Note No 5.1.xi dependent on the factors below, the Company calculates ECLs only on a collective basis

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Gold Loans
2. Auto Loans
3. MSME Loans
4. Two wheelers Loans
5. Personal Loans
6. Pre-Owned Two wheelers
7. Loan against property

45.2.3 Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2022 was ₹ 1,547.21 Lakhs (March 31, 2021 ₹ 3,172.52 Lakhs)

Credit risk exposure analysis

₹ in Lakhs

Particulars	As at March 31, 2022				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	27,15,113.85	3,86,377.62	2,07,716.47	-	33,09,207.94
Repossessed	-	-	1,152.73	-	1,152.73
Total	**27,15,113.85**	**3,86,377.62**	**2,08,869.20**	**-**	**33,10,360.67**

₹ in Lakhs

Particulars	As at March 31, 2021				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	25,25,387.95	2,33,532.22	1,86,673.00	-	29,45,593.17
Repossessed	-	-	925.74	-	925.74
Total	**25,25,387.95**	**2,33,532.22**	**1,87,598.74**	**-**	**29,46,518.91**

NOTE 45: RISK MANAGEMENT (Contd.)

45.3 Liquidity risk and funding management

In assessing the Company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings. Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company in line with the Company's budget and decided risk management objectives. The ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the Company. The ALCO will be responsible for ensuring the adherence to the target set by the Board of Directors. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight. The minutes of ALCO meetings are placed before the Audit & Risk Management Committee and the Board of Directors in its next meeting for its ratification.

45.3.1. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date as it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT (Contd.)

MATURITY PATTERN OF ASSETS AND LIABILITIES AS ON MARCH 31, 2022:

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	5,51,297.85	17,442.74	81,699.57	5,326.40	11,496.79	-	6,67,263.35
Trade Receivables	439.09	-	-	-	-	-	439.09
Loans	7,47,048.04	5,70,204.63	9,74,544.39	12,49,437.44	3,73,605.79	1,90,453.38	41,05,293.67
Financial investments at amortised cost	2,274.67	319.08	35,093.74	80,425.59	12.26	109.20	1,18,234.54
Financial investments at FVTPL	493.53	-	-	-	-	-	493.53
Financial investments at FVTOCI	-	-	-	-	-	7,515.00	7,515.00
Financial investments at Cost	37.37	29.05	38.30	23.08	-	66,727.91	66,855.71
Other Financial Assets	300.60	510.02	403.67	1,696.61	1,871.23	682.53	5,464.66
Total undiscounted financial assets	**13,01,891.15**	**5,88,505.52**	**10,91,779.67**	**13,36,909.12**	**3,86,986.07**	**2,65,488.02**	**49,71,559.55**
Financial liabilities							
Other Payables	4,056.34	-	-	-	-	-	4,056.34
Deposits	48,133.02	62,871.72	1,10,603.99	3,84,837.61	1,88,934.50	-	7,95,380.84
Debt securities	53,087.87	47,802.33	2,01,190.06	3,14,175.70	24,027.48	1,83,214.35	8,23,497.79
Borrowings (other than debt securities)	2,97,809.18	2,91,343.64	4,43,650.05	7,23,570.67	1,75,545.27	-	19,31,918.81
Other Financial Liabilities	11,305.64	-	4,149.83	-	-	17,927.21	33,382.68
Total undiscounted financial liabilities	**4,14,392.05**	**4,02,017.69**	**7,59,593.93**	**14,22,583.98**	**3,88,507.25**	**2,01,141.56**	**35,88,236.46**
Net undiscounted financial assets / (liabilities)	**8,87,499.10**	**1,86,487.83**	**3,32,185.74**	**(85,674.86)**	**(1,521.18)**	**64,346.46**	**13,83,323.09**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2021:

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	4,05,001.51	43,018.16	59,383.92	8,437.88	-	11,496.79	5,27,338.26
Trade Receivables	229.99	-	-	-	-	-	229.99
Loans	5,76,885.05	5,16,803.01	9,06,981.76	11,51,823.98	2,94,938.49	2,07,401.26	36,54,833.55
Financial investments at amortised cost	298.62	81.18	68,379.79	9,537.99	12.26	115.33	78,425.17
Financial investments at FVTPL	434.03	-	-	-	-	-	434.03
Financial investments at FVTOCI	-	-	-	-	-	9,686.10	9,686.10
Financial investments at Cost	45.07	40.46	56.53	25.96	-	16,727.91	16,895.93
Other Financial Assets	340.71	199.71	366.81	1,595.63	1,933.32	486.29	4,922.47
Total undiscounted financial assets	**9,83,234.98**	**5,60,142.52**	**10,35,168.81**	**11,71,421.44**	**2,96,884.07**	**2,45,913.68**	**42,92,765.50**
Financial liabilities							
Other Payables	6,747.95	-	-	-	-	-	6,747.95
Deposits	31,881.41	42,230.72	96,637.94	3,30,862.56	1,51,442.33	-	6,53,054.96
Debt securities	48,467.18	7,489.20	84,368.20	3,09,489.80	30,158.64	23,709.02	5,03,682.04
Borrowings (other than debt securities)	4,09,739.67	3,02,999.91	3,52,090.07	5,62,057.46	1,16,405.59	1,709.23	17,45,001.93
Other Financial Liabilities	19,959.70	-	4,245.59	-	-	16,757.24	40,962.53
Total undiscounted financial liabilities	**5,16,795.91**	**3,52,719.83**	**5,37,341.80**	**12,02,409.82**	**2,98,006.56**	**42,175.49**	**29,49,449.41**
Net undiscounted financial assets / (liabilities)	**4,66,439.07**	**2,07,422.69**	**4,97,827.01**	**(30,988.38)**	**(1,122.49)**	**2,03,738.19**	**13,43,316.09**

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT (Contd.)

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
AS AT MARCH 31, 2022							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	116.45	116.45
VAT demand where the Company has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Estimated amount of contracts remaining to be executed on capital account, net of advances	559.36	-	-	-	-	-	559.36
Commitments related to loans sanctioned but undrawn	6,402.47	-	-	-	-	-	6,402.47
Total commitments	**6,961.83**	**-**	**-**	**-**	**-**	**8,395.69**	**15,357.52**

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2021							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	116.45	116.45
VAT demand where the Company has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Estimated amount of contracts remaining to be executed on capital account, net of advances	302.41	-	-	-	-	-	302.41
Commitments related to loans sanctioned but undrawn	5,378.39	-	-	-	-	-	5,378.39
Total commitments	**5,680.80**	**-**	**-**	**-**	**-**	**8,395.69**	**14,076.49**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT (Contd.)

45.4 Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Outstanding liability which are on fixed rate basis are not subject to interest rate risk. Only borrowings that are linked to rate benchmarks such as Bank MCLR and Mumbai Inter-Bank Offer Rate (MIBOR) are subject to interest rate risk. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

AS AT MARCH 31, 2022

₹ in Lakhs

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Term Loans - Bank	8,82,119.19	1,16,583.46	(92,209.33)
Term Loans - Financial Institution	72,124.68	9,619.51	(7,592.38)
Total floating rate borrowings	**9,54,243.87**	**1,26,202.97**	**(99,801.71)**

As at March 31, 2021

₹ in Lakhs

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Term Loans - Bank	7,62,526.16	96,649.79	(77,037.37)
Term Loans - Financial Institution	2,63,930.95	38,545.38	(29,625.24)
Total floating rate borrowings	**10,26,457.11**	**1,35,195.17**	**(1,06,662.61)**

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 46 : DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount remaining unpaid to supplier as at the end of the year	6.39	18.90
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

NOTE 47: SEGMENT REPORTING

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

NOTE 48: EXPENDITURE IN FOREIGN CURRENCY : Nil (March 31, 2021: ₹ 623.25 Lakhs).

NOTE 49: The Company had no discontinuing operations during the year ended March 31, 2022 and March 31, 2021.

NOTE 50: EVENTS AFTER REPORTING DATE

There have been no events after the reporting date, which warrants adjustments to be made in the financial statement prepared for the year ended March 31, 2022.

NOTE 51: FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities, treasury bills & deposit (face value) to the extent of ₹ 73,190.25 Lakhs, ₹ 31,226.36 Lakhs and ₹ 14,000.00 Lakhs respectively (March 31, 2021: ₹ 8,200 Lakhs, ₹ 65,695.83 Lakhs and ₹ 21,000.00 Lakhs respectively) in favour of trustees representing the public deposit holders of the Company.

NOTE 52: DISCLOSURE ON LOAN AGAINST GOLD AS ON MARCH 31, 2022 VIDE RBI NOTIFICATION DNBS.CC.PD. NO.265/03.10.01/2011-12 DATED MARCH 21, 2012

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Asset under Management	33,10,360.67	29,46,518.91
Total Loan against Gold	4,07,794.20	3,78,882.88
Percentage of Gold Loan on Total Assets (On Book)	12.32%	12.86%

NOTE 53: TRANSFER OF FINANCIAL ASSETS

53.1 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Securitisation		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	2,17,363.26	3,44,849.01
Carrying amount of associated liabilities (Borrowings (other than debt securities) - measured at amortised cost)	2,10,013.63	3,38,459.12
Fair value of assets	2,23,304.71	3,58,964.40
Fair value of associated liabilities	2,26,362.80	3,72,624.36
Net position at FV	(3,058.09)	(13,659.96)

53.2 Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of transferred assets measured at amortised cost	8,215.46	10,419.30
Carrying amount of exposures retained by the Company at amortised cost	876.20	1,009.52

53.3 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 54: LIQUIDITY COVERAGE RATIO DISCLOSURE

Disclosure as per the circular no RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 issued by Reserve Bank of India on " Liquidity Coverage ratio (LCR)

₹ in Lakhs

S. No	Particulars	Period ended March 31, 2022		Period ended December 31, 2021		Period ended September 30, 2021		Period ended June 30, 2021		Period ended March 31, 2021	
		Total Unweighted Value (average)*	Total weighted Value (average)#	Total Unweighted Value (average)*	Total weighted Value (average)#	Total Unweighted Value (average)*	Total weighted Value (average)#	Total Unweighted Value (average)*	Total weighted Value (average)#	Total Unweighted Value (average)*	Total weighted Value (average)#
HIGH QUALITY LIQUID ASSETS											
1	Total High Quality Liquid Assets (HQLA)	1,96,351.59	1,70,826.02	1,43,509.35	1,26,095.88	1,76,587.60	1,61,525.57	1,49,832.58	1,34,917.43	1,35,869.00	1,21,593.13
CASH OUTFLOWS											
2	Deposits (for deposit taking companies)	16,027.17	18,431.25	15,108.73	17,375.04	13,832.46	15,907.33	11,556.51	13,289.99	10,803.11	12,423.58
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-	-	-
4	Secured wholesale funding	1,21,669.47	1,39,919.89	75,317.93	86,615.62	94,395.87	1,08,555.25	1,11,262.00	1,27,951.30	1,11,367.46	1,28,072.58
5	Additional requirements, of which										
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	23,519.53	27,047.46	25,057.22	28,815.80	23,137.40	26,608.01	21,750.72	25,013.33	26,221.41	30,154.62
7	Other contingent funding obligations	6,808.46	7,829.73	6,653.96	7,652.05	6,288.23	7,231.46	4,409.44	5,070.86	3,664.00	4,213.60
8	**TOTAL CASH OUTFLOWS**	**1,68,024.63**	**1,93,228.32**	**1,22,137.84**	**1,40,458.52**	**1,37,653.96**	**1,58,302.05**	**1,48,978.67**	**1,71,325.47**	**1,52,055.98**	**1,74,864.38**
CASH INFLOWS											
9	Secured lending	-	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	2,57,675.56	1,93,256.67	2,54,619.14	1,90,964.36	2,06,058.04	1,54,543.53	1,89,461.50	1,42,096.13	1,86,668.34	1,40,001.26
11	Other cash inflows	4,45,459.48	3,34,094.61	4,46,913.22	3,35,184.92	2,83,841.88	2,12,881.41	2,27,898.77	1,70,924.08	2,24,337.72	1,68,253.29
12	**TOTAL CASH INFLOWS**	**7,03,135.04**	**5,27,351.28**	**7,01,532.36**	**5,26,149.27**	**4,89,899.92**	**3,67,424.94**	**4,17,360.27**	**3,13,020.20**	**4,11,006.06**	**3,08,254.55**
	Total Adjusted value										
13	**TOTAL HQLA**		**1,70,826.02**		**1,26,095.88**		**1,61,525.57**		**1,34,917.43**		**1,21,593.13**
14	**TOTAL NET CASH OUTFLOWS**		**48,307.08**		**35,114.63**		**39,575.51**		**42,831.37**		**43,716.09**
15	**LIQUIDITY COVERAGE RATIO (%)**		**353.63%**		**359.10%**		**408.15%**		**315.00%**		**278.14%**

* Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflows and outflows.

Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI, which has been relied upon by the auditors.

NOTE 54: LIQUIDITY COVERAGE RATIO DISCLOSURE (Contd.)

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All non-deposit taking NBFCs with asset size of ₹10,000 crores and above, and all deposit taking NBFCs irrespective of their asset size, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching a level upto 60%. 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively.

Liquidity Coverage Ratio (LCR) ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator.

The average LCR for the quarter ended March 31, 2021 is computed as simple averages of monthly observations over the previous quarter (i.e. average of three months ie. January 2021, February 2021 and March 2021 for the quarter ended March 31, 2021).

The average LCR for the quarter ended June 30, 2021 onwards is computed as simple averages of daily observations over the previous quarter (i.e. daily average of the quarter ended June 30, 2021, September 30, 2021, December 31, 2021 and March 31, 2022).

HQLA primarily includes cash on hand, bank balances in current account, Treasury Bills and Government securities (such unencumbered approved securities held as per the provisions of section 45 IB of RBI Act, is reckoned as HQLA only to the extent of 80% of the required holding).

The Company has maintained LCR well above the regulatory threshold.

NOTE 55: DISCLOSURE RELATING TO SECURITISATION (NON STC)

Disclosure as per RBI Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

55.1 The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total number of transactions under par structure	9	9
Total book value of assets	2,20,835.52	2,11,842.97
Sale consideration received	2,20,835.52	2,11,842.97

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

55.2 Disclosures to be made in Notes to Accounts by originators

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of SPEs holding assets for securitisation transactions originated by the originator	20	23
2	Total amount of securitised assets as per books of the SPEs	2,17,363.26	3,44,849.01
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	81,976.50	97,715.10
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	81,852.90	97,554.28
	Others	123.60	160.82
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation		
	(a) Sale consideration	2,20,835.52	2,11,842.97
	(b) Gain / Loss on securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided -Credit enhancement		
	a) Amount paid	70,115.57	97,554.28
	b) Repayment received	85,816.95	70,520.71
	c) Outstanding amount	81,852.90	97,554.28
8	Average default rate of portfolios observed in the past.		
	a) Trade Finance	1.12%	0.18%
	b) Personal Loans	1.28%	-
	c) Vehicle Loans	1.49%	0.88%
9	Amount and number of additional / top up loan given on same underlying asset.	-	-
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding	-	-

There are no transactions in nature of STC for the year ended March 31, 2022 and March 31, 2021.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 56: DISCLOSURE RELATING ASSIGNMENT

56.1. (i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of transactions Assigned by the Company	2	5
2	Total amount of Outstanding	8,215.46	10,419.30
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet	876.20	1,009.52
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	876.20	1,009.52
4	Amount of exposures to Assigned transaction other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation		
	(a) Sale consideration	4,570.02	-
	(b) Gain / Loss on securitisation	210.38	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided -Credit enhancement		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past.		
	a) Trade Finance	0.12%	0.03%
	b) Personal Loans	-	-
	c) Vehicle Loans	-	0.40%
9	Amount and number of additional / top up loan given on same underlying asset.	-	-
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding	-	-

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 56: DISCLOSURE RELATING ASSIGNMENT (Contd.)

(ii) There are no transactions in nature of Direct Assignment wherein the Company as an originator had assets assigned under premium structure as on March 31, 2022 and March 31, 2021.

56.2 The Company has not sold any financial assets to Securitisation/Reconstruction Company for asset reconstruction for the year ended March 31, 2022 and March 31, 2021.

56.3 The Company has not purchased/sold non-performing assets for the year ended March 31, 2022 and March 31, 2021

56.4 Disclosures pursuant to RBI notification- RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

(i) Details of transferred through assignment in respect of loans not in default during the year ended March 31, 2022.

Count of loan accounts assigned	176
Amount of loan account assigned (₹ in Lakhs)	4,570.02
Retention of beneficial economic interest (MRR)	10%
Weighted average maturity (Residual Maturity)	74 Months
Weighted average holding period	31 Months
Coverage of tangible security coverage	100%
Rating - wise distribution of rated loans	Unrated

(ii) Details of acquired through assignment in respect of loans not in default during the year ended March 31, 2022

Count of loan accounts assigned	593
Amount of loan account assigned (₹ in Lakhs)	2,898.18
Retention of beneficial economic interest (MRR)	10%
Weighted average maturity (Residual Maturity)	74 Months
Weighted average holding period	16 Months
Coverage of tangible security coverage	100%
Rating - wise distribution of rated loans	Unrated

NOTE 57: INVESTMENTS

₹ in Lakhs

	Particulars	As at March 31, 2022	As at March 31, 2021
(1)	**Value of investments**		
	(i) Gross value of investments		
	(a) In India	1,76,119.79	92,052.61
	(b) Outside India,	7,515.00	9,686.10
	(ii) Provisions for depreciation		
	(a) In India	6.55	6.47
	(b) Outside India,	-	-
	(iii) Net value of investments		
	(a) In India	1,76,113.24	92,046.14
	(b) Outside India,	7,515.00	9,686.10
(2)	**Movement of provisions held towards depreciation on investments**		
	(i) Opening balance	6.47	-
	(ii) Add : Provisions made during the year	5.33	6.47
	(iii) Less : Write-off/write-back of excess provisions during the year	(5.25)	-
	(iv) Closing balance	6.55	6.47

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 58: DERIVATIVES

58.1 Forward rate agreement/Interest rate swap: NIL

58.2 Exchange Traded interest rate (IR) derivatives : NIL

NOTE 59: RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS

Rating Agency	Rating Instrument	As at March 31, 2022	As at March 31, 2021
India Ratings	Long-Term (NCDs)	IND AA/ Positive	IND AA/ Stable
	Long-Term (NCDs-MLD)	IND PP-MLD AAemr/ Positive	IND PP-MLD AAemr/ Stable
	Bank Loan Ratings	IND AA/ Positive	IND AA/ Stable
	Fixed deposit	NA	IND tAA/ Stable
CARE	Long-Term (NCDs)	CARE AA	CARE AA+ /Stable
	Short-Term (CP)	CARE A1+	CARE A1+
	Fixed deposit	CARE AA	CARE AA /Stable
ICRA	Long-Term (NCDs)	ICRA AA	ICRA AA / Stable
	Long-Term (NCDs-MLD)	ICRA PP-MLD AA	ICRA PP-MLD AA/Stable
	Short-Term (CP)	ICRA A1+	ICRA A1+
	Fixed deposit	MAA+ /Stable	MAA+ / Stable
CRISIL	Long-Term (NCDs)	CRISIL AA	CRISIL AA / Stable
	Short-Term (CP)	CRISIL A1+	CRISIL A1+

NOTE 60: DISCLOSURE OF RESTRUCTURED ACCOUNTS

The Company has only implemented one-time restructuring as prescribed in the notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 Resolution Framework for COVID-19-related Stress.

NOTE 61: EXPOSURE TO REAL ESTATE SECTOR

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
i)	**Residential Mortgages -** Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
ii)	**Commercial Real Estate** - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	12,720.86	25,392.74
iii)	**Investments in Mortgage Backed Securities(MBS) and other securitised exposures -**		
	Residential	-	-
	Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	**12,720.86**	**25,392.74**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 62: EXPOSURE TO CAPITAL MARKET

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	74,736.44	27,002.57
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to capital market	**74,736.44**	**27,002.57**

NOTE 63: DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

The Company does not have any Parent Company, hence not applicable.

NOTE 64: DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the year ended March 31, 2022 and March 31, 2021.

NOTE 65: UNSECURED ADVANCES

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

NOTE 66: PROVISIONS AND CONTINGENCIES

₹ in Lakhs

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2022	Year ended March 31, 2021
Provisions for depreciation on investments	0.08	6.47
Provision towards NPA #	3,064.61	(9,804.56)
Provision made towards income tax ##	37,504.87	37,844.33
Provision for Standard Assets ###	403.91	9,912.24
Provision towards impairment of financial instruments other than provision for stage 3 assets	43.53	171.58

Expected Credit Loss Provision for stage 3 assets.

Provision made towards income tax comprises of current tax, deferred tax and tax adjustment for earlier years.

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 67: DRAW DOWN FROM RESERVES

The draw down from reserves was Nil during the year ended March 31, 2022 and March 31, 2021.

NOTE 68: CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS

68.1 Concentration of deposits (for deposit taking NBFCs)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total deposits of twenty largest depositors	15,759.51	13,448.28
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.31%	2.43%

68.2 Concentration of advances

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total advances to twenty largest borrowers	17,357.94	22,622.75
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.52%	0.77%

68.3 Concentration of exposures

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to twenty largest borrowers/customers	17,357.94	22,622.75
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	0.52%	0.77%

68.4 Concentration of NPAs

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top four NPA accounts	4,176.21	4,016.98

NPA accounts refer to stage 3 assets.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 68: CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (Contd.)

68.5 Sector-wise NPAs

S. No	Particulars	As at March 31, 2022	As at March 31, 2021
		Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME / Corporate borrowers	7.03%	7.26%
3	Services	-	-
4	Loan Against Property	0.47%	-
5	Unsecured personal loans	9.25%	10.86%
6	Auto loans		
	i) Auto Loans	9.87%	8.56%
	ii) Two wheeler	6.04%	5.80%
	iii) Pre Owned Two Wheeler	6.28%	2.21%
7	Other personal loans		
	i) Consumer Durable		
	ii) Pledged Jewel	1.99%	2.86%
8	Others	0.70%	1.04%

NPA accounts refer to stage 3 assets.

68.6 Movement of NPAs

₹ in Lakhs

S. No	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	**Net NPAs to Net Advances (%)**	3.30%	3.08%
(ii)	**Movement of NPAs (Gross)**		
	(a) Opening balance	1,87,598.74	2,26,293.73
	(b) Additions during the year	1,80,611.56	1,00,911.35
	(c) Reductions during the year	(1,59,341.10)	(1,39,606.34)
	(d) Closing balance	2,08,869.20	1,87,598.74
(iii)	**Movement of Net NPAs**		
	(a) Opening balance	87,728.16	1,16,618.59
	(b) Additions during the year	91,930.47	25,800.76
	(c) Reductions during the year	(73,724.62)	(54,691.19)
	(d) Closing balance	1,05,934.01	87,728.16
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	(a) Opening balance	99,870.58	1,09,675.14
	(b) Provisions made during the year	88,681.09	75,110.59
	(c) Write-off / write-back of excess provisions	(85,616.48)	(84,915.15)
	(d) Closing balance	1,02,935.19	99,870.58

NPA accounts refer to stage 3 assets.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

68.7: Asset classification as per RBI Norms

Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020 pertaining to Asset classification as per RBI Norms:

₹ in Lakhs

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	For the year ended March 31, 2022					For the year ended March 31, 2021				
		Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing assets											
Standard	Stage 1	27,15,113.85	87,562.50	26,27,551.35	12,885.17	74,677.33	25,25,387.95	88,122.34	24,37,265.61	10,848.94	77,273.40
	Stage 2	3,86,377.62	17,478.10	3,68,899.52	1,785.21	15,692.89	2,33,532.22	16,514.34	2,17,017.88	948.48	15,565.86
Subtotal		**31,01,491.47**	**1,05,040.60**	**29,96,450.87**	**14,670.38**	**90,370.22**	**27,58,920.17**	**1,04,636.68**	**26,54,283.49**	**11,797.42**	**92,839.26**
Non-Performing Assets (NPA)											
Substandard	Stage 3	1,56,403.75	77,910.40	78,493.35	82,298.50	(4,388.10)	1,09,226.62	56,409.77	52,816.85	51,293.35	5,116.42
Doubtful - up to 1 year	Stage 3	34,577.89	17,051.63	17,526.26	22,689.32	(5,637.69)	63,300.22	35,339.22	27,961.00	40,663.75	(5,324.53)
1 to 3 years	Stage 3	17,887.56	7,973.16	9,914.40	14,078.15	(6,104.99)	15,071.90	8,121.60	6,950.30	11,738.50	(3,616.90)
More than 3 years	Stage 3	-	-	-	-	-	-	-	-	-	-
Subtotal for doubtful		**52,465.45**	**25,024.79**	**27,440.66**	**36,767.47**	**(11,742.68)**	**78,372.12**	**43,460.82**	**34,911.30**	**52,402.25**	**(8,941.43)**
Loss	Stage 3	-	-	-	-	-	-	-	-	-	-
Subtotal for NPA		**2,08,869.20**	**1,02,935.19**	**1,05,934.01**	**1,19,065.97**	**(16,130.78)**	**1,87,598.74**	**99,870.59**	**87,728.15**	**1,03,695.60**	**(3,825.01)**
Total	**Stage 1**	**27,15,113.85**	**87,562.50**	**26,27,551.35**	**12,885.17**	**74,677.33**	**25,25,387.95**	**88,122.34**	**24,37,265.61**	**10,848.94**	**77,273.40**
	Stage 2	**3,86,377.62**	**17,478.10**	**3,68,899.52**	**1,785.21**	**15,692.89**	**2,33,532.22**	**16,514.34**	**2,17,017.88**	**948.48**	**15,565.86**
	Stage 3	**2,08,869.20**	**1,02,935.19**	**1,05,934.01**	**1,19,065.97**	**(16,130.78)**	**1,87,598.74**	**99,870.59**	**87,728.15**	**1,03,695.60**	**(3,825.01)**
		33,10,360.67	**2,07,975.79**	**31,02,384.88**	**1,33,736.35**	**74,239.44**	**29,46,518.91**	**2,04,507.27**	**27,42,011.64**	**1,15,493.02**	**89,014.25**

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2022 and accordingly, no amount is required to be transferred to impairment reserve.

68.8: As at March 31, 2022, additional ECL provision on loan assets as management overlay on account of COVID-19 stood at ₹ 42,553.44 Lakhs (March 31, 2021: ₹ 70,876.72 Lakhs). The additional ECL provision on account of COVID-19 is based on the Company's historical experience, collection efficiencies till date, internal assessment on the impacted segments and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 69: OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

NOTE 70: OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

NOTE 71: CUSTOMER COMPLAINTS

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
(a)	Number of complaints pending at the beginning of the year	2	25
(b)	Number of complaints received during the year	5,638	2,900
(c)	Number of complaints redressed during the year	5,637	2,923
(d)	Number of complaints pending at the end of the year	3	2

NOTE 72: AUCTION DETAILS

The Company Auctioned 3,757 loan accounts (March 31, 2021: 167 accounts) during the financial year and the outstanding dues on these loan accounts were ₹ 1,735.25 Lakhs (March 31, 2021: ₹ 36.25 Lakhs) till the respective dates of auction. The Company realised ₹ 1,686.21 Lakhs (March 31, 2021 : ₹ 37.44 Lakhs) on auctioning of gold jewellery taken as security on these loans. The Company confirms that none of its sister concerns participated in the above auctions.

NOTE 73: DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

No penalties have been levied by any regulator on the Company for the year ended March 31, 2022.

Details of penalties levied for the year ended March 31, 2021 are as follows:

₹ in Lakhs

S. No	Authority	Details of non-compliance made by the Company for which penalty has been levied	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/Stay Received	Date of payment	Status as on March 31, 2021
1	Reserve Bank of India	Non-Compliance with directions issued by RBI on verification of the ownership of gold jewellery	5.00	5.00	Nil	Nil	October 12, 2020	Paid
2	Financial Intelligence Unit - India	Failure of the Company to file CTR, to evolve an internal mechanism for detecting the transactions, to put in place of an effective mechanism to detect and report suspicious transactions, to undertake risk categorisation of the customers and to conduct periodical review of risk categorisation, to identify and verify the Beneficial Owner	4.50	4.50	Nil	Nil	January 1, 2021	Paid

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 74: The Company invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020 and May 5, 2021. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.

74.1 Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6,2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021: Resolution of Covid-19 related stress of individuals and Small Businesses.

₹ in Lakhs

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of March 31, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Addition on account of implementation of resolution during the year end of March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of March 31, 2022
Personal Loans	-	-	-	2.29	26.58	24.29
Corporate persons*	13,091.72	5,110.87	54.47	1,931.37	13,468.97	19,463.98
Of which, MSMEs	13,091.72	5,110.87	54.47	1,931.37	13,468.97	19,463.98
Others	2,143.03	1,013.39	4.31	99.83	2,130.43	3,155.93
Total	**15,234.75**	**6,124.26**	**58.78**	**2,033.49**	**15,625.98**	**22,644.20**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

74.2 Disclosure as per format prescribed under notification no. RBI/2020-21/17 DOR.No.BP.BC/4/21 04.048/2020-21 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances having exposure less than or equal to ₹ 25 crores) for the year ended March 31, 2022

₹ in Lakhs

No. of accounts restructured *	Amount
548	14,925.43

* relates to accounts restructured under COVID 1.0 framework

NOTE 75: Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr). vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 and provision had been made accordingly. The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection, the Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

NOTE 76: The Company had credited an ex-gratia amount of ₹ 10,423.34 Lakhs for the payment of difference between the compound interest and simple interest to the accounts of borrowers in specified loan accounts between March 1, 2020 and August 31, 2020 as per the eligibility criteria and other features as mentioned in the notification dated October 23, 2020 issued by Government of India, Ministry of Finance, Department of Financial Services. The Company had filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification and same was received on March 31, 2021.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 77: In accordance with the RBI circular dated April 07, 2021 and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021 consequent to the judgement dated March 23, 2021 of Hon'ble Supreme Court, the Company has put in place a policy approved by the Board of Directors to refund/ adjust the 'interest on interest' charged to borrowers (other than specified borrowers as referred to in Note 12 above) during the moratorium period .i.e. March 1, 2020 to August 31, 2020. The Company has estimated the said amount and made a provision in the financial statements for the year ended March 31, 2021.

NOTE 78: DISCLOSURES PERTAINING TO FUND RAISING BY ISSUANCE OF DEBT SECURITIES BY LARGE CORPORATE

The Company, as per the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018, and the definitions therein, is a Large Corporate and hence is required to disclose the following information about its borrowings.

(i) Initial Disclosure as per Annexure - A

S. No.	Particulars	As at March 31, 2022
1	Name of the Company	Shriram City Union Finance Limited
2	CIN	L65191TN1986PLC012840
3	Outstanding borrowing the of Company as on March 31, 2022 # (₹ in Lakhs)	24,77,701.04
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	
	Deposits :	ICRA MAA+ / Stable CARE AA
	Non-Convertible Debentures :	ICRA AA CARE AA IND AA/Positive CRISIL AA
	Short Term Debt / Commercial Paper :	ICRA A1+ CARE A1+ CRISIL A1+
	Long Term Market Linked Debentures :	IND PP-MLD AAemr/ Positive ICRA PP-MLD AA
	Bank Loan facilities :	IND AA/ Positive
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange of India Limited

(ii) Annual disclosure as per Annexure - B2 for the year ended March 31, 2022

₹ in Lakhs

S. No.	Particulars	Details
1	2 - year block period	March 31, 2022 and March 31, 2023
2	Incremental borrowing done in current financial year (a) #	13,79,282.62
3	Mandatory borrowing to be done through debt securities in current financial year (b) = (25% of a)	3,44,820.65
4	Actual borrowing done through debt securities in current financial year (c)	3,51,900.00
5	Shortfall in the borrowing through debt securities, if any, for previous financial year carried forward to current financial year (d)	-
6	Quantum of (d), which has been met from (c) (e)	Not Applicable
7	Shortfall, if any, in the mandatory borrowing through debt securities for current financial year (f)= (b)-[(c)-(e)]	Nil

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 78: DISCLOSURES PERTAINING TO FUND RAISING BY ISSUANCE OF DEBT SECURITIES BY LARGE CORPORATE (Cotnd.)

(iii) Details of penalty to be paid, if any, in respect to previous block (all figures in ₹ Lakhs)

S. No.	Particulars	Details
1	2-year Block period	March 31, 2022 and March 31, 2023
2	Amount of fine to be paid for the block, if applicable Fine = 0.2% of (f)	Nil

Figures pertain to long term borrowing basis original maturity of more than one year (excludes funds raised by way of Direct Assignment, Securitisation & Sale of receivables in form of Direct Assignment under Partial Credit Guarantee Scheme)

NOTE 79: The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

NOTE 80: COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Board of Directors of the Company in its meeting held on December 13, 2021 has approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited) and the Company with Shriram Transport Finance Company Limited under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The said Scheme is effective upon approval of shareholders, creditors, Hon'ble National Company Law Tribunal, Reserve Bank of India and other regulatory and statutory approvals as applicable with an appointed date of April 1, 2022. The Company has already initiated process for the approval of the Scheme by various statutory authorities. The Company has received Observation letters dated March 15, 2022 and March 16, 2022 from BSE Limited (designated Stock Exchange) and National Stock Exchange of India Limited respectively. The financial statements are for the year ended March 31, 2022, which is prior to the appointed date i.e. April 1, 2022 and as such the approval/implementation of Scheme has no implications on these financial statements.

NOTE 81: CHANGE IN THE PROCESS OF NPA CLASSIFICATION

Pursuant to the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Company has aligned its definition of default from "Days Past Due Approach as on reporting date" to "Days Past Due Approach as on Day end" with effect from November 12, 2021. Had the Company followed the earlier method, the profit before tax for the period ended March 31, 2022 would have been higher by ₹5,992.26 Lakhs.

NOTE 82: TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE COMPANY

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 83: ANALYTICAL RATIOS

₹ in Lakhs

Particulars	As at March 31, 2022			As at March 31, 2021	% Variance	Reasons for variance (if above 25%)
	Numerator	Denominator	Ratio	Ratio		
Capital to risk-weighted assets ratio (CRAR)	8,27,252.84	30,88,503.60	26.78%	28.64%	-6.48%	NA
Tier I CRAR	8,27,252.84	30,88,503.60	26.78%	28.64%	-6.48%	NA
Tier II CRAR	-	30,88,503.60	0.00%	0.00%	0.00%	NA
Liquidity Coverage Ratio	1,70,826.02	48,307.08	353.63%	278.14%	27.14%	The reason for variance above 25% is the change is methodology for calculation of LCR. LCR was calculated on the basis of monthly observation upto quarter ended March 31, 2021. However from quarter ended June 30, 2021 it is calculated on the basis of daily observation.

NOTE 84: DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

NOTE 85: DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

NOTE 86: WILFUL DEFAULTER

The Company is not declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

NOTE 87: RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company has not undertaken any transactions with any Company whose name is struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2022 and March 31, 2021.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 88: DETAILS OF CSR EXPENSES

₹ in Lakhs

Particulars	Year ended March 31, 2022 *	Year ended March 31, 2021 **
Gross amount required to be spent by the Company during the year	2,833.92	2,617.31
Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	3,167.57	2,195.23
Yet to be paid in cash	-	-
Total	**3,167.57**	**2,195.23**

* There is no shortfall in the CSR amount required to be spent by the Company as per section 135(5) of the Act for the financial years ended March 31, 2022.

** There was a shortfall of ₹ 333.00 Lakhs in the CSR amount required to be spent by the Company as per section 135(5) of the Act for the financial years ended March 31, 2021. The shortfall was due to COVID 19 related lockdown / restrictions impact on the ongoing projects / CSR tie-ups. The said amount was transferred to Unspent CSR account as per section 135(6) on April 29, 2021. During the year ended March 31, 2022, ₹ 332.00 Lakhs have been utilised for CSR activities from this Unspent CSR bank account.

CSR activities include Education, Preservation of Art, Culture and Heritage, Preventive Healthcare, Scholarship Scheme, Training and Skill Development, Road Safety Awareness Program, Contribution towards Primary, Secondary and Higher Education and other activities which are specified under Schedule VII of Companies Act, 2013.

The Company has neither made any CSR Contributions towards its related parties nor recorded any provision for CSR expenditure during the financial years ended March 31, 2022 and March 31, 2021.

NOTE 89: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

NOTE 90: COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

NOTE 91: UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 92: UNDISCLOSED INCOME

There are no transactions in nature of undisclosed income.

NOTE 93: DETAILS OF STRESSED LOANS TRANSFERRED / ACQUIRED DURING THE YEAR

The Company has neither acquired nor transferred any stressed loans during the year ended March 31, 2022.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 94: LIQUIDITY RISK

Public Disclosure on Liquidity Risk for the period ended March 31, 2022 pursuant to RBI circular dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	Number of Significant Counterparties	Amount (₹ in Lakhs)*	% of Total deposits	% of Total liabilities
As at March 31, 2022	16	16,46,766.07	241.16%	52.96%
As at March 31, 2021	18	16,46,173.87	297.74%	63.09%

*Includes securitisation liabilities exposure

(ii) Top 20 large deposits (amount in ₹ in Lakhs and % of total deposits)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total amount of top 20 large deposits	15,759.51	13,448.28
Percentage of amount of top 20 large deposits to total deposits	2.31%	2.43%

(iii) Top 10 borrowings (amount in ₹ in Lakhs and % of total borrowings)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total amount of top 10 borrowings *	13,59,586.79	12,36,599.84
Percentage of amount of top 10 borrowings to total borrowings	44.38%	48.37%

*Includes securitisation liabilities exposure

(iv) Funding Concentration based on significant instrument / product

S. No.	Name of the instrument/product	As at March 31, 2022		As at March 31, 2021	
		Amount (₹ in Lakhs)	% of Total liabilities	Amount (₹ in Lakhs)	% of Total liabilities
1	Public issue of Redeemable non-convertible debentures	38,902.41	1.25%	86,924.21	3.33%
2	Privately placed Redeemable non-convertible debentures	6,12,611.69	19.70%	3,39,438.79	13.01%
3	Term Loan from banks	8,82,119.19	28.37%	7,62,526.16	29.23%
4	Term Loan from financial institution/ NBFC	3,42,121.77	11.00%	2,63,930.95	10.12%
5	Loans repayable on demand from banks (Cash credit from banks & Working Capital Loan)	2,94,574.23	9.47%	2,12,362.91	8.14%
6	Other loans - Securitisation liabilities	2,10,013.63	6.75%	3,38,459.12	12.97%
7	Public deposits	6,82,838.64	21.96%	5,52,888.78	21.19%

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

(v) Stock Ratios:

S. No.	Particulars	As at March 31, 2022			As at March 31, 2021		
		as a % of Total public funds	as a % of Total liabilities	as a % of Total assets	as a % of Total public funds	as a % of Total liabilities	as a % of Total assets
1	Commercial papers	-	-	-	-	-	-
2	Non-convertible debentures (original maturity of less than one year)	-	-	-	-	-	-
3	Other short-term liabilities*	9.71%	9.56%	7.42%	10.46%	10.24%	7.81%

*includes cash credit, working capital demand loans and other short term loans with original maturity of less than one year

(vi) Institutional set-up for liquidity risk management

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Audit & Risk management committee (ARMC) which is responsible for monitoring the overall risk process within the Company.

The (ARMC) is responsible for managing risk decisions and monitoring risk levels. The meetings of ARMC are held at quarterly interval.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits/ targets set by the Board as well as for deciding the business strategy of the Company in line with the Company's budget and decided risk management objectives. The ALCO does balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the Company. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight.

In assessing the Company's liquidity position, consideration is given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of its loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

The minutes of ALCO meetings are placed before the ARMC and the Board of Directors in its next meeting for its ratification.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

***Notes:**

1) Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

2) Significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3) Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).

4) Public funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

NOTE 95: DISCLOSURE OF FRAUDS VIDE DNBS. PD. CC NO. 256/03.10.042/2011-12 DATED MARCH 2, 2012

Instances of fraud for the year ended March 31, 2022:

₹ in Lakhs

Particulars	Less than ₹ 1 Lakh		₹ 1 Lakh to ₹ 25 Lakhs		Greater than ₹ 25 Lakhs		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Staff & Customer	-	-	-	-	-	-	-	-
Customer	1	0.70	-	-	-	-	1	0.70
Customer & Outsider	-	-	-	-	-	-	-	-
Staff, Customer & Outsider	-	-	-	-	-	-	-	-
Total	**1**	**0.70**	**-**	**-**	**-**	**-**	**1**	**0.70**
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	1	0.70	-	-	-	-	1	0.70
Total	**1**	**0.70**	**-**	**-**	**-**	**-**	**1**	**0.70**

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 95: DISCLOSURE OF FRAUDS VIDE DNBS. PD. CC NO. 256/03.10.042/2011-12 DATED MARCH 2, 2012 (Contd.)

Instances of fraud for the year ended March 31, 2021:

₹ in Lakhs

Particulars	Less than ₹ 1 Lakh		₹ 1 Lakh to ₹ 25 Lakhs		Greater than ₹ 25 Lakhs		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Staff & Customer	-	-	2	5.00	-	-	2	5.00
Customer	-	-	-	-	-	-	-	-
Customer & Outsider	-	-	-	-	-	-	-	-
Staff, Customer & Outsider	-	-	-	-	-	-	-	-
Total	**-**	**-**	**2**	**5.00**	**-**	**-**	**2**	**5.00**
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	-	-	2	5.00	-	-	2	5.00
Total	**-**	**-**	**2**	**5.00**	**-**	**-**	**2**	**5.00**

"- "represents Nil

NOTE 96: ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2022

₹ in Lakhs

Particulars	0 to 7 days	8 to 14 days	15 to 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3 Months	Over 3 months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	2,495.92	2,982.13	9,675.57	14,217.52	18,143.29	60,939.01	1,04,216.23	3,29,061.66	1,41,107.31	-	6,82,838.64
Advances*	1,49,026.17	53,196.12	54,059.52	1,57,633.78	1,67,766.81	4,32,450.10	7,60,742.07	9,79,004.77	2,29,925.73	1,18,579.81	31,02,384.88
Investments	-	282.41	506.20	847.29	517.83	118.76	31,675.52	75,336.86	-	74,343.37	1,83,628.24
Borrowings	38,713.25	11,840.99	50,775.80	46,693.47	78,160.28	2,54,891.85	7,88,926.06	8,18,622.11	1,62,429.62	1,29,289.49	23,80,342.92
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 96: ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES (Contd.)

As at March 31, 2021

₹ in Lakhs

Particulars	0 to 7 days	8 to 14 days	15 to 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3 Months	Over 3 months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	1,239.96	1,587.71	6,626.81	9,697.77	12,304.94	40,859.07	90,645.87	2,80,783.32	1,09,143.33	-	5,52,888.78
Advances*	1,09,021.60	42,901.32	32,350.33	1,23,632.26	1,31,852.26	3,89,113.52	7,05,187.27	9,06,436.94	1,78,936.13	1,22,580.01	27,42,011.64
Investments	-	280.77	448.69	13.47	15.30	45.29	66,142.79	8,271.40	-	26,514.53	1,01,732.24
Borrowings	-	43,013.28	98,430.49	99,920.54	1,10,533.71	2,20,065.31	5,81,307.46	7,10,464.18	1,22,414.22	17,492.95	20,03,642.14
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

* net of Impairment loss allowance.

NOTE 97: PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

K Jayasankar

Partner
Membership No.014156

Place: Chennai
Date : April 29, 2022

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

Lalitha Rameswaran

Partner
Membership No.207867

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

As required in terms of Master Direction - Non-Banking Financial Company - systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Schedule to the Balance Sheet

₹ in Lakhs

	Particulars	As at March 31, 2022	
	Liabilities side :	**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**		
	(a) Debenture : Secured	6,51,514.10	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	12,60,240.96	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits	6,82,838.64	-
	(g) Other Loans - Subordinated debts	-	-
	- Cash Credit/WCDL	2,58,574.23	-
	- Securitisation Loan	2,10,013.63	-

*Please see note 1 below

₹ in Lakhs

(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**	**Amount outstanding**	**Amount overdue**
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	6,82,838.64	-

Assets side :

₹ in Lakhs

(3)	**Break-up of loans and advances including bills receivables (other than those included in (4) below):**	**Amount outstanding**
	(a) Secured	25,43,603.15
	(b) Unsecured	5,58,781.73

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

₹ in Lakhs

(4)	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	Amount outstanding
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	-
	(b) Operating lease	-
	(ii) Stock on hire including hire charges under sundry debtors :	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other loans counting towards asset financing activities :	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-
	The Company has not disclosed amount outstanding under assets financing activities under note 4(iii) and included entire loan amount outstanding under note 3 as RBI has merged Asset Financing Companies, Loan Companies and Investment companies in to a new category "NBFC - Investment and Credit Company" vide its circular no. DNBR (PD) CC. No. 097/03.10.001/2018-19 dated February 22, 2019.	

₹ in Lakhs

(5)	Break-up of investments :	Amount outstanding
	Current investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debenture and bonds	-
	(iii) Units of mutual funds	493.53
	(iv) Government securities	-
	(v) Others (Please specify)	-
	Treasury Bills	31,640.35
	2. Unquoted :	
	(i) Shares: (a) Equity	-
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	-
	(v) Others (Please specify)	
	(a) Debentures	-
	(b) Mutual Funds	-

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

₹ in Lakhs

(5)	Break-up of investments :	Amount outstanding
	Long term investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	7,515.00
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	77,134.27
	(v) Others (Please specify)	-
	2. Unquoted :	
	(i) Shares: (a) Equity	66,727.91
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	-
	(v) Others -Venture capital fund	-
	Investment in PTC	-
	Certificate of deposits	-
	Pass through certificates (unquoted)	117.18
	Investment in subordinated debts	-

₹ in Lakhs

(6)	Borrower group-wise classification of assets, financed as in (3) and (4) above : Please see note 2 below		
	Category	Amount (Net of provisions)	
		Secured	Unsecured
	1. Related Parties **		
	(a) Subsidiary	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	25,43,603.15	5,58,781.73

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

₹ in Lakhs

(7)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):** Please see note 3 below		
	Category	**Market Value / Break up or fair value or NAV***	**Book Value (Net of Provisions)**
	1. Related Parties *		
	(a) Subsidiary	97,702.58	66,727.91
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	1,17,142.60	1,16,900.33
	Total	**2,14,845.18**	**1,83,628.24**

* As per Indian Accounting Standard issued by MCA (Please see note 3)

₹ in Lakhs

(8)	**Other information**	
	Particulars	**Amount**
(i)	Gross non-performing assets **	
	(a) Related parties	-
	(b) Other than related parties	2,08,869.20
(ii)	Net non-performing assets **	
	(a) Related parties	-
	(b) Other than related parties	1,05,934.01
(iii)	Assets acquired in satisfaction of debt	-

** NPA accounts refer to stage 3 assets.

Notes :

1. As defined in point xxvii of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA..
3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.

Form AOC-1

(Pursuant to first proviso to sub- section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

PART A: SUBSIDIARIES

₹ in Lakhs

S No.	Particulars	Shriram Housing Finance Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
3	Share Capital	32,527.11
4	Reserves	83,232.20
5	Total assets	5,16,834.36
6	Total liabilities	4,01,075.05
7	Investments (included in total assets)	14,043.17
8	Turnover	54,827.22
9	Profit before taxation	10,914.42
10	Provision for taxation	2,880.29
11	Profit after taxation	8,034.13
12	Dividend	-
13	% of shareholding	85.02%

Independent Auditor's Report

THE MEMBERS OF
SHRIRAM CITY UNION FINANCE LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying consolidated financial statements of Shriram City Union Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended and notes to the financial statement, including summary of the significant accounting policies and other explanatory information hereinafter referred to as "the consolidated financial statements".

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed u/s 133 of the Act read with the companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India,of the consolidated state of affairs of the Group as at March 31, 2022, its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

EMPHASIS OF MATTER

4. Attention is drawn to Note No 68.3 to the Financial statements which describe the fact that the additional ECL provision on account of COVID-19 is made based on the Group's historical experience, collection efficiencies till date, internal assessment on the impacted segments and other emerging forward-looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Group's management is continuously monitoring the situation and the economic factors affecting the operations of the Group. Further, the extent to which the COVID-19 pandemic will impact the Group's Financial Performance is dependent on future developments, which are highly uncertain.

   Our opinion is not modified in respect of the above matters.

KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year under report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

   We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
i	**Impairment and Write-offs** The Recognition and Measurement of Impairment and Write-off of Loans and Advances involves estimates, management judgements and appropriate processing of information from the IT systems because of which the same has been identified as a key audit matter.	**Our key audit procedures included:** ● We test checked the computation of the Probable default (PD) which denotes the statistical pattern of occurrence of defaults in individual accounts over a period of past five years. ● We also test checked the computation of the ratio of Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. ● We reviewed the changes made by the management in estimating the PD and the LGD on the background of COVID 19 outbreak and additional ECL provisions made on the basis of above revisions. ● We examined the computation of Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. ● We reviewed the Internal financial controls over data extraction and data validation from the ERP system for computation of PD and LGD with the participation of our internal IT expert. ● We performed analytical procedures for ascertaining of reasonableness of Impairment provisions. ● We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written off. ● Our audit procedures did not reveal any significant inconsistencies with respect to provisions for impairment and write-offs.
ii	Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims led by other parties not acknowledged as debt (Note No. 43 to the consolidated financial statements): There is high level of judgement required in estimating the level of provisioning. The company's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Company's reported profit and state of affairs presented in the Balance Sheet.	**Our audit approach involved:** Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances; a. Understanding the current status of the litigations/ tax assessments; b. Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon; c. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
	We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved	d. Review and analysis of evaluation of the contentions of the Company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and verification of disclosures related to significant litigations and taxation matters.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation and presentation of these consolidated financial statements, that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards specified under section 133 of the Act read with the companies (Indian Accounting Standards) Rules 2015. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding company and the subsidiary and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

   In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Holding Company's and the subsidiary's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Holding company and/or the subsidiary or to cease operations, or has no realistic alternative but to do so.

   The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of those companies.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high

Independent Auditor's Report (Contd.)

level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and/or the subsidiary to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and/or the subsidiary to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group to express an opinion on the consolidated Financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of holding company included in the consolidated financial results of which we are the independent auditors. For the subsidiary included in the consolidated Financial statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor's Report (Contd.)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

9. (a) We did not audit the financial statements of the subsidiary, Shriram Housing Finance Limited whose financial statements reflect total assets of Rs. 4,49,011 lakhs as at March 31, 2022, Group's share of total revenue of Rs.54,710 lakhs, Group's share of total net profit after tax of Rs.7,856 lakhs, Group's share of total comprehensive income of Rs. 7,870 lakhs for the year ended March 31, 2022 and net cash outflow of Rs. 4,936 lakhs for the year ended on March 31, 2022 as considered in the Consolidated Financial Statements, which have been audited by its independent auditor. These financial statements have been audited by the other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

(b) The comparative consolidated financial statements of the company for the year ended March 31, 2021 included in consolidated financial statements, were audited by the then statutory auditors " G.D.Apte & co., Chartered Accountants" for the year ended March 31, 2021 whose report dated April 30, 2021 expressed an unmodified opinion on those financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. As required by section 143(3) of the Act, based on our audit and on the consideration of audit report of the other auditors on separate financial statements of such Subsidiary we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure – 'A' to this report.

g. In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of subsidiary company incorporated in India which were not audited by

Independent Auditor's Report (Contd.)

us, the remuneration paid during the current year by the Holding Company and subsidiary company incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and subsidiary company incorporated in India is not in excess of the limit laid down under Section 197 of the Act..

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the other auditors on separate financial statements of such subsidiary, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 43 to the consolidated financial statements.

ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The company does not have including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2022.

iv (a) The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Hoding Company or any of such subsidiary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and performed by the other auditor in respect of its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause 10(h) (iv) (a) and (b) contain any material misstatement

Independent Auditor's Report (Contd.)

v. In our opinion and according to the information and explanations given to us:

(a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Holding Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Directors of the Holding Company have not proposed any final dividend for the year.

(d) In respect of subsidiary company as reported by the independent auditors of the subsidiary company no dividend has been declared or paid hence reporting about compliance of section 123 of the Companies act is not applicable to the subsidiary company.

11. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For R. Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041

For Abarna & Ananthan
Chartered Accountants
FRN- 000003S

CA K. Jayasankar
Partner
M No 014156
UDIN: 22014156AIZOCH3727

CA (Mrs) Lalitha Rameswaran
Partner
M No 207867
UDIN: 22207867AIZNMQ7211

Place: Chennai
Date: April 29, 2022

Annexure "A"

ANNEXURE – 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHRIRAM CITY UNION FINANCE LIMITED

(Referred to in paragraph 10(f) under 'Report on other legal and regulatory requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited (hereinafter referred to as the "Company") and its subsidiary company, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

1. The respective Board of Directors of the Holding Company and its subsidiary, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

2. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Holding Company and its subsidiary, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

   Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

   We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

3. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

   (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

Annexure "A" to the Independent Auditors' Report (Contd.)

accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

4. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTER

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the subsidiary, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For R. Subramanian and Company LLP
Chartered Accountants
FRN: 004137S/S200041

For Abarna & Ananthan
Chartered Accountants
FRN- 000003S

CA K. Jayasankar
Partner
M No 014156
UDIN: 22014156AIZOCH3727

CA (Mrs) Lalitha Rameswaran
Partner
M No 207867
UDIN: 22207867AIZNMQ7211

Place: Chennai
Date: April 29, 2022

Consolidated Balance Sheet as at March 31, 2022

₹ in Lakhs

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
I ASSETS			
1 FINANCIAL ASSETS			
Cash and cash equivalents	9	5,26,908.73	3,91,641.65
Bank balance other than above	10	1,57,324.82	1,44,309.16
Receivables			
(I) Trade receivables	11	439.09	229.99
(II) Other receivables		-	-
Loans	12	35,54,599.63	30,79,779.88
Investments	13	1,30,948.17	92,414.31
Other financial assets	14	19,250.25	16,226.66
Total Financial Assets		**43,89,470.69**	**37,24,601.65**
2 NON-FINANCIAL ASSETS			
Current tax assets (net)	38	3,236.34	4,921.74
Deferred tax assets	38	15,166.44	12,815.28
Property, plant and equipment	15	6,954.86	6,841.27
Intangible assets	16	498.93	643.36
Right-of-use assets	17	17,681.96	16,538.88
Other non-financial assets	18	22,767.05	20,270.54
Total Non-Financial Assets		**66,305.58**	**62,031.07**
Total Assets		**44,55,776.27**	**37,86,632.72**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 FINANCIAL LIABILITIES			
Derivative financial instruments	19	5.49	-
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	20	6.39	18.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	20	5,303.17	7,856.73
Debt securities	21	7,04,843.71	4,84,252.82
Borrowings (other than debt securities)	22	20,66,368.83	18,37,472.96
Deposits	23	6,82,838.64	5,52,888.78
Other financial liabilities	24	38,557.79	44,376.98
Total Financial Liabilities		**34,97,924.02**	**29,26,867.17**
2 NON-FINANCIAL LIABILITIES			
Provisions	25	2,991.67	2,857.04
Deferred tax liabilities	38	3,186.28	2,536.95
Other non-financial liabilities	26	6,518.68	2,544.28
Total Non-Financial Liabilities		**12,696.63**	**7,938.27**
Total Liabilities		**35,10,620.65**	**29,34,805.44**
3 EQUITY			
Equity share capital	27	6,662.80	6,600.50
Other equity	28	9,21,181.82	8,32,153.68
Equity attributable to equity holders of the parent		**9,27,844.62**	**8,38,754.18**
Non-controlling interest		17,311.00	13,073.10
Total Equity		**9,45,155.62**	**8,51,827.28**
Total Liabilities and Equity		**44,55,776.27**	**37,86,632.72**

See accompanying notes forming part of the Consolidated financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

K Jayasankar
Partner
Membership No.014156

Lalitha Rameswaran
Partner
Membership No.207867

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date : April 29, 2022

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Consolidated Statement of Profit & Loss for the year ended March 31, 2022

₹ in Lakhs

	Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
	REVENUE FROM OPERATIONS			
(i)	Interest income	29	6,68,113.88	5,89,690.43
(ii)	Dividend income		185.07	190.28
(iii)	Fees and commission income	30	13,264.11	4,954.49
(iv)	Net gain on fair value changes	31	874.86	907.24
(v)	Net gain on derecognition of financial instruments under amortised cost category		5,256.74	7,422.46
(vi)	Bad debts recovery		18,294.93	11,112.38
(vii)	Other operating income		1,307.79	820.41
I	**Total revenue from operations**		**7,07,297.38**	**6,15,097.69**
II	**Other income**		451.72	1,090.37
III	**Total income (I+II)**		**7,07,749.10**	**6,16,188.06**
	EXPENSES			
(i)	Finance cost	32	2,81,312.56	2,34,105.03
(ii)	Fees and commission expenses		12,127.53	11,252.45
(iii)	Impairment on financial instruments	33	3,812.76	1,662.95
(iv)	Bad debts written off	34	86,009.40	85,396.39
(v)	Employee benefit expenses	35	1,05,760.43	83,012.74
(vi)	Depreciation, amortisation and impairment	36	8,622.51	8,712.46
(vii)	Royalty		7,673.58	6,716.05
(viii)	Professional charges		13,609.75	13,750.09
(ix)	Other expenses	37	31,960.75	23,778.72
IV	**Total expenses**		**5,50,889.27**	**4,68,386.88**
V	**Profit before exceptional items and tax (III - IV)**		**1,56,859.83**	**1,47,801.18**
VI	Exceptional items		-	-
VII	**Profit before tax (V + VI)**		**1,56,859.83**	**1,47,801.18**
VIII	**Tax expense:**			
	(1) Current tax	38	41,068.04	47,155.66
	(2) Tax adjustment for earlier years	38	477.38	(190.33)
	(3) Deferred tax	38	(1,160.26)	(6,935.69)
IX	**Profit for the year (VII-VIII)**		**1,16,474.67**	**1,07,771.54**
X	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement gain / (loss) on defined benefit plan		(138.19)	1,181.86
	Gain / (loss) on Fair valuation of quoted investments in equity shares		(2,171.10)	768.97
	(ii) Income tax provision / (reversal) relating to items that will not be reclassified to profit or loss		(541.58)	633.62
	Subtotal (A)		**(1,767.71)**	**1,317.21**
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		**-**	**-**
	Other comprehensive income (A+B)		**(1,767.71)**	**1,317.21**
XI	**Total Comprehensive Income for the year (IX+ X)**		**1,14,706.96**	**1,09,088.75**
XII	**Profit / (Loss) for the year attributable to**			
	- Owners of the Company		**1,15,177.12**	**1,06,352.34**
	- Non - Controlling Interests		**1,297.55**	**1,419.20**
XIII	**Other comprehensive income / (Loss) for the year attributable to**			
	- Owners of the Company		**(1,769.66)**	**1,316.68**
	- Non - Controlling Interests		**1.95**	**0.53**
XIV	**Total comprehensive income / (Loss) for the year attributable to**			
	- Owners of the Company		**1,13,407.46**	**1,07,669.02**
	- Non - Controlling Interests		**1,299.50**	**1,419.73**
XV	**Earning per equity share (face value 10/- per equity share)**			
	Basic (₹)	39	174.07	161.13
	Diluted (₹)	39	173.02	160.76

See accompanying notes forming part of the Consolidated financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

K Jayasankar
Partner
Membership No.014156

Lalitha Rameswaran
Partner
Membership No.207867

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Place: Chennai
Date : April 29, 2022

Consolidated Cash flow statement for the year ended March 31, 2022

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,56,859.83	1,47,801.18
Adjustments for :		
Depreciation, amortisation and impairment	8,622.51	8,712.46
(Profit) / loss on sale of property, plant and equipment (net)	6.46	66.15
Bad debts written off	86,009.40	85,396.23
Impairment on financial instruments	3,812.76	1,662.96
Amortisation of premium on Government securities	353.35	71.20
Interest on lease liabilities	1,938.03	1,812.85
Interest income on fair valuation of security deposits	(245.89)	(298.77)
Net (gain) / loss on sale of investments and fair value changes of investment/ derivative	(874.76)	(907.24)
Net (gain) / loss on derecognition of financial instruments under amortised cost category	(5,256.74)	(7,422.46)
Lease concessions received	(117.50)	(510.91)
Share based payments to employees	10,017.57	1,953.07
Dividend Income considered as cash flow from investing activity	(185.07)	(190.28)
Operating profit before working capital changes	**2,60,939.95**	**2,38,146.44**
Movements in Working capital:		
(Increase) / decrease in loans and advances	(5,65,870.37)	(3,03,468.07)
(Increase) / decrease in other non financial assets	(1,984.10)	(4,776.75)
(Increase) / decrease in other financial assets	2,008.56	4,106.57
(Increase) / decrease in bank deposits	(7,853.32)	(46,388.49)
(Increase) / decrease in receivables	(223.99)	(146.50)
(Increase) / decrease in investments	(34,359.76)	(27,494.43)
Increase / (decrease) in other financial liabilities	(28.69)	(19,141.14)
Increase / (decrease) in other non financial liabilities	3,974.41	159.49
Increase / (decrease) in other payables	(2,752.90)	703.34
Increase / (decrease) in other provisions	(117.10)	(299.64)
Cash generated from operations	**(3,46,267.31)**	**(1,58,599.18)**
Direct taxes paid (net of refunds)	(39,860.03)	(36,540.64)
Net cash from / (used in) operating activities (A)	**(3,86,127.34)**	**(1,95,139.82)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(2,699.61)	(2,033.58)
Sale of Investment in Shares	(3,570.90)	8,656.32
Capital advance for assets	(125.18)	(16.97)
Proceeds from sale of fixed assets	48.76	49.94
Dividend Income	185.07	190.28
Proceeds from sale of Security Receipts	160.51	347.68
Investment in commercial paper	(7,376.24)	-
Net cash from / (used in) investing activities (B)	**(13,377.59)**	**7,193.67**

Consolidated Cash flow statement for the year ended March 31, 2022 (Contd.)

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	1,868.98	0.74
Right issue expenses	(86.20)	-
Increase / (Decrease) of debt securities	2,20,747.21	(1,599.78)
Increase / (Decrease) of borrowings	2,29,380.65	2,42,038.33
Increase / (Decrease) of deposits	1,29,949.86	1,51,681.98
Increase / (Decrease) of subordinated liabilities	-	(23,923.91)
Payment of lease liabilities	(7,309.04)	(6,062.91)
Dividend paid on equity shares	(39,779.45)	(6,600.43)
Net Cash from / (used in) financing activities (C)	**5,34,772.01**	**3,55,534.02**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**1,35,267.08**	**1,67,587.87**
Cash and cash equivalents at the beginning of the year	**3,91,641.65**	**2,24,053.78**
Cash and cash equivalents at the end of the year	**5,26,908.73**	**3,91,641.65**

₹ in Lakhs

Components of cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
Cash on hand	6,886.28	5,433.39
Balances with Banks		
- in current accounts	75,739.15	1,38,156.42
- in deposit accounts having original maturity less than three months	4,44,283.30	2,48,051.84
Total	**5,26,908.73**	**3,91,641.65**

Notes:

The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

See accompanying notes forming part of the Consolidated financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

K Jayasankar
Partner
Membership No.014156

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

Lalitha Rameswaran
Partner
Membership No.207867

Place: Chennai
Date : April 29, 2022

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Consolidated Statement of changes in Equity for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

(1) CURRENT REPORTING PERIOD

₹ in Lakhs

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
As at March 31, 2021				As at March 31, 2022
6,600.50	-	6,600.50	62.30	6,662.80

(2) PREVIOUS REPORTING PERIOD

₹ in Lakhs

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
As at March 31, 2020				As at March 31, 2021
6,600.29	-	6,600.29	0.21	6,600.50

B. OTHER EQUITY

(1) CURRENT REPORTING PERIOD

₹ in Lakhs

Particulars	Reserves and Surplus									Other Comprehensive Income	Money received against share warrants	Total Other Equity	Non Controlling Interest	Total
	Share application money pending allotment	Capital Reserve	Securities Premium account	Share Options Outstanding	Other Reserves									
					Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Statutory Reserve pursuant to section 29C of the NHB Act, 1987	Capital Redemption Reserve	General Reserve	Retained Earnings					
Balance as at March 31, 2021	**-**	**7,871.88**	**1,84,933.24**	**2,012.05**	**1,48,921.30**	**3,851.29**	**2,328.98**	**1,11,374.46**	**3,71,110.91**	**(250.43)**	**-**	**8,32,153.68**	**13,073.10**	**8,45,226.78**
Movement due to subscription in right issue SHFL during the period	-	-	946.59	16.97	-	387.46	-	-	(4,284.77)	5.75	-	(2,928.00)	2,928.00	-
Profit for the year	-	-	-	-	-	-	-	-	1,15,177.12	-	-	1,15,177.12	1,297.55	1,16,474.67
Remeasurement gain / (loss) on defined benefit plan	-	-	-	-	-	-	-	-	-	(140.80)	-	(140.80)	2.61	(138.19)
Share Issue Expenses (SHFL)	-	-	(71.22)	-	-	-	-	-	-	-	-	(71.22)	(14.98)	(86.20)
Gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	-	(2,171.10)	-	(2,171.10)	-	(2,171.10)

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

Consolidated Statement of changes in Equity for the year ended March 31, 2022 (Contd.)

B. OTHER EQUITY (Contd.)

₹ in Lakhs

Particulars	Reserves and Surplus									Other Comprehensive Income	Money received against share warrants	Total Other Equity	Non Controlling Interest	Total
	Share application money pending allotment	Capital Reserve	Securities Premium account	Share Options Outstanding	Other Reserves									
					Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Statutory Reserve pursuant to section 29C of the NHB Act, 1987	Capital Redemption Reserve	General Reserve	Retained Earnings					
Income tax on remeasurement gain / (loss) on defined benefit plan and gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	-	542.24	-	542.24	(0.66)	541.58
Share Premium received during the year on exercise of ESOPs	-	-	5,180.44	-	-	-	-	-	-	-	-	5,180.44	-	5,180.44
Expenses on employee stock option plan	-	-	-	9,992.17	-	-	-	-	-	-	-	9,992.17	25.38	10,017.55
Transferred to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment on exercise of Employee Stock Option Plan	-	-	-	(3,373.76)	-	-	-	-	-	-	-	(3,373.76)	-	(3,373.76)
Final equity dividend FY 2020-21	-	-	-	-	-	-	-	-	(8,580.65)	-	-	(8,580.65)	-	(8,580.65)
Interim equity dividend FY 2021-22	-	-	-	-	-	-	-	-	(24,598.30)	-	-	(24,598.30)	-	(24,598.30)
Transfer to statutory reserve pursuant to section 45-IC of the RBI Act, 1934	-	-	-	-	21,760.00	-	-	-	(21,760.00)	-	-	-	-	-
Transfer to statutory reserve pursuant to section 29C of the NHB Act, 1987	-	-	-	-	-	1,372.01	-	-	(1,372.01)	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-	-	10,880.00	(10,880.00)	-	-	-	-	-
Balance as at March 31, 2022	**-**	**7,871.88**	**1,90,989.05**	**8,647.43**	**1,70,681.30**	**5,610.76**	**2,328.98**	**1,22,254.46**	**4,14,812.29**	**(2,014.34)**	**-**	**9,21,181.82**	**17,311.00**	**9,38,492.82**

Consolidated Statement of changes in Equity for the year ended March 31, 2022 (Contd.)

(2) PREVIOUS REPORTING PERIOD

₹ in Lakhs

Particulars	Reserves and Surplus									Other Comprehensive income	Money received against share warrants	Total Other Equity	Non Controlling Interest	Total
	Share application money pending allotment	Capital Reserve	Securities Premium Account	Share Options Outstanding	Other Reserves									
					Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Statutory Reserve pursuant to section 29C of the NHB Act, 1987	Capital Redemption Reserve	General Reserve	Retained Earnings					
Balance as at March 31, 2020	**-**	**7,871.88**	**1,84,927.96**	**89.06**	**1,28,431.30**	**2,882.57**	**2,328.98**	**1,01,124.46**	**3,09,666.82**	**(1,567.11)**	**-**	**7,35,755.92**	**11,629.45**	**7,47,385.37**
Profit for the year	-	-	-	-	-	-	-	-	1,06,352.34	-	-	1,06,352.34	1,419.20	1,07,771.54
Remeasurement gain / (loss) on defined benefit plan	-	-	-	-	-	-	-	-	-	1,181.15	-	1,181.15	0.71	1,181.86
Gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	-	768.97	-	768.97	-	768.97
Income tax on remeasurement gain / (loss) on defined benefit plan and gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	-	(633.44)	-	(633.44)	(0.18)	(633.62)
Share premium received during the year on exercise of ESOPs	-	-	5.28	-	-	-	-	-	-	-	-	5.28	-	5.28
Expenses on employee stock option plan	-	-	-	1,929.15	-	-	-	-	-	-	-	1,929.15	23.92	1,953.07
Adjustment on exercise of Employee Stock Option Plan	-	-	-	(4.76)	-	-	-	-	-	-	-	(4.76)	-	(4.76)
Transferred to retained earnings	-	-	-	(1.40)	-	-	-	-	1.40	-	-	-	-	-
Interim equity dividend FY 2020-21	-	-	-	-	-	-	-	-	(13,200.93)	-	-	(13,200.93)	-	(13,200.93)
Transfer to statutory reserve pursuant to section 45-IC of the RBI Act, 1934	-	-	-	-	20,490.00	-	-	-	(20,490.00)	-	-	-	-	-
Transfer to statutory reserve pursuant to section 29C of the NHB Act, 1987	-	-	-	-	-	968.72	-	-	(968.72)	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-	-	10,250.00	(10,250.00)	-	-	-	-	-
Balance as at March 31, 2021	**-**	**7,871.88**	**1,84,933.24**	**2,012.05**	**1,48,921.30**	**3,851.29**	**2,328.98**	**1,11,374.46**	**3,71,110.91**	**(250.43)**	**-**	**8,32,153.68**	**13,073.10**	**8,45,226.78**

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

K. Jayasankar
Partner
Membership No.014156

Place: Chennai
Date : April 29, 2022

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

Lalitha Rameswaran
Partner
Membership No.207867

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

C R Dash
Company Secretary

Venkataraman Murali
Director
DIN: 00730218

R Chandrasekar
Chief Financial Officer

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

1. CORPORATE INFORMATION

Shriram City Union Finance Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing small and medium enterprises, two-wheelers and pledged jewels. It also provides personal loans, auto loans, pre-owned two wheeler loans and loan against property. The Company is a Deposit Accepting Non-Banking Finance Company (NBFC) registered as a Loan Company with the Reserve Bank of India (RBI) and Ministry of Corporate Affairs. The registration details are as follows:

RBI	07-00458
Corporate Identity Number (CIN)	L65191TN1986PLC012840
IRDA	CA0652

Shriram Capital Limited is the promoter of the Company.

The registered office of the Company is at No.123, Angappa Naicken Street, Chennai – 600 001. The principal place of business is at No.144, Santhome High Road, Mylapore, Chennai – 600 004. The financial statements of the Group for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on April 29, 2022.

2. BASIS OF PREPARATION

The Consolidated Financial Statements relates to M/s. Shriram City Union Finance Limited (the "Company") and its subsidiary (together hereinafter referred to as "the Group"). The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable on an accrual basis including the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification for Implementation of Indian Accounting Standards vide circular RBI/2019-20/170 DOR(NBFC). CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 issued by RBI.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated except where a newly – issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 8 - Significant accounting judgements, estimates and assumptions.

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded off to the nearest Lakhs upto two decimals, except when otherwise indicated.

3. BASIS OF CONSOLIDATION

(i) The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2022 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The consolidated financial statements of the Group have been prepared in accordance with the Ind AS 110- 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ('the Act) and the other relevant provisions of the Act.

(iii) The Consolidated Financial Statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.

b) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets and liabilities

as of the date of disposal is recognised in the Statement of Profit and Loss as profit or loss on disposal of subsidiary.

c) Non-controlling interest, if any, in the net assets of consolidated subsidiary consists of the amount of equity attributable to the non-controlling shareholders at the dates on which investments are made by the Company in the subsidiary and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(iv) The subsidiary considered in the Consolidated Financial Statements are as below

Name of the subsidiary	Country of incorporation	Share of ownership interest as at March 31, 2022
Shriram Housing Finance Limited (SHFL)	India	85.02%

4. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 ("the Act") applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Group and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

5.1 Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the other relevant provisions of the Act.

5.2 Recent Accounting Developments

On March 23, 2022, the ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to group from April 1, 2022.

Ind AS 101- First time adoption of Ind AS

Ind AS 103 - Business Combination

Ind AS 109 - Financial Instrument

Ind AS 16 - Property, Plant and Equipment

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

Ind AS 41- Agriculture

Application of above standards are not expected to have any significant impact on the group's financial statement.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

a. Financial Assets

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost (amortised cost)
2. Financial assets to be measured at fair value through other comprehensive income (FVTOCI)
3. Financial assets to be measured at fair value through profit or loss account (FVTPL)

The classification depends on the contractual terms of the financial assets, cash flows and the Group's business model for managing financial assets which are explained below:

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.
- At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassesses its business models each reporting period to determine whether the business model/(s) have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business model.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

b. Financial Liabilities

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

These financial assets comprise bank balances, trade receivables, loans, investments and other financial assets.

Financial assets are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These Financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Financial assets measured at fair value through other comprehensive income

Financial Assets other than equity instruments

These financial assets are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in statement of profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the consolidated statement of profit and loss.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 *Financial Instruments: Presentation*. Such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income are not subsequently transferred to statement of profit or loss. Dividends on such investments are recognised in statement of profit or loss.

(iv) Items at fair value through profit or loss

Financial assets which are not classified in any of the above categories are measured at FVTPL.

Items at fair value through profit or loss comprise:

a. Investments (including equity shares) held for trading;

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

b. Items specifically designated as fair value through profit or loss on initial recognition;

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date the Group does not have any financial instruments designated as measured at fair value through profit or loss.

c. Debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date the Group does not have any such financial instruments measured at fair value through profit or loss.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the consolidated statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the consolidated statement of profit and loss as they arise.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- If a host contract contains one or more embedded derivatives; or
- If financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Group has not designated any financial instruments as measured at fair value through profit or loss.

(v) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Group undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

(vi) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(vii) Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the consolidated statement of profit and loss.

- The premium is recognised in the consolidated statement of profit and loss on a straight-line basis over the life of the guarantee.

(viii) Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition apart from the exceptional circumstances in which Group changes its business model for managing financial assets. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities until the year ended March 31, 2022.

(xi) Recognition and Derecognition of financial assets and liabilities

Recognition

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Group.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets other than due to substantial modification

a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

i. The Group has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual

obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

ii. The Group cannot sell or pledge the original asset other than as security to the eventual recipients

iii. The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the consolidated statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the consolidated statement of profit and loss as per Ind AS 109. Also, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in statement of profit or loss. As at the reporting date the Group does not have any financial liabilities which have been derecognised.

(x) Impairment of financial assets

<u>Overview of the ECL principles</u>

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on individual basis, depending on the nature of the underlying portfolio of financial instruments. The Group has grouped its loan portfolio into Gold Loan, Auto Loans, MSME Loans (sanctioned amount less than ₹ 5 crores), MSME Loans (sanctioned amount more than ₹ 5 crores), Two Wheeler Loans, Personal Loans, Pre-owed Two wheeler loan, Loan Against Property and Housing Loans.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Group may classify the financial asset in Stage 3 accordingly.

As required by RBI Circular reference no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020; where impairment allowance under Ind AS 109 is lower than the provisioning required as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc., the Group shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

Pursuant to the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Group has aligned its definition of default from "Days Past Due Approach as on reporting date" to "Days Past Due Approach as on Day end" with effect from November 12, 2021.

Loan commitments

When estimating expected credit loss for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts

The Group's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the consolidated statement of profit and loss, and the ECL provision. For this purpose, the Group estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the group does not have any financial guarantees.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the consolidated balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to statement of profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Group does not have any debt instruments measured at fair value through OCI.

The mechanics of ECL

The Group calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note. 48.2.2.2

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note. 48.2.2.3

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note. 48.2.2.4

Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

The above calculated PDs, EAD and LGDs are reviewed annually and changes in the forward looking estimates are analysed.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. Though, the fair value of collateral has not been carried out, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(xi) Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the consolidated statement of profit and loss.

(xii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in note 6.1(iii) to 6.1(vi)) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in the statement of profit or loss when the inputs become observable, or when the instrument is derecognised.

6.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

Fees and commissions are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

(iv) Net gain or loss on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, (refer note. 31) held by the Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the consolidated statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

(v) Recoveries of financial assets written off

The Group recognises income on recoveries of financial assets written off on realisation basis.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(vi) Net gain or loss on derecognition of financial instruments under amortised cost category

Net gain or loss on derecognition of financial instruments under amortised cost category is recognised upfront in the statement of profit and loss, being the difference between the carrying amount (measured at the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) .

6.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the amortised cost of the financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in Finance Cost with the corresponding adjustment to the carrying amount of the Liabilities.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Group are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in the statement of profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Group fully contributes all ascertained liabilities to The Trustees – SCUF Employees Group Gratuity Trust and Shriram Housing Finance Company Employees Group Gratuity Fund. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Group's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Consolidated Statement of Profit and Loss.

The Group presents the Provision for compensated absences under provisions in the Consolidated Balance Sheet.

Employee Stock Options

Eligible employees in terms of the Employees Stock Options Scheme of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments granted (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised, together with a corresponding increase in Share Option Outstanding Reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense / vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest.

(iii) Lease

The Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. After the commencement date, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is also remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest on the lease liability is recognised in the statement of Profit & Loss except to the extent that it can be allocated to any Property, Plant & Equipment. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet.

Rent concession consequent to modification of lease terms due to COVID 19 pandemic have been accounted for as other income with a reduction in lease liability in terms of practical expedient under IND AS 116 Leases.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(iv) Other income and expenses

All Other income and expense are recognized in the period they occur.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit or loss is recognised outside the statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI

or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid is charged to the consolidated statement of profit and loss as current tax. The Group recognizes MAT credit available as a deferred tax asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the consolidated statement of profit and loss and shown as "MAT Credit Entitlement." under Deferred Tax Assets. The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax / value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(vii) Dividends on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Group. A corresponding amount is recognised directly in equity.

6.4 Foreign currency translation

(i) Functional and presentational currency

The consolidated financial statements are presented in Indian Rupees which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates.

(ii) Transactions and balances

Initial recognition

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Consolidated Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

6.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

6.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at historical cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes (other than those subsequently recoverable from the tax authorities) and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Group
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years
Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	10 years	10 years
Electronic equipment	10 years	10 years
Office equipment	5 years	5 years
Refrigerator	10 years	10 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the consolidated statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the consolidated statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the consolidated Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Group's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the consolidated Statement of Profit and Loss when the asset is derecognised.

6.8 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the consolidated statement of profit and loss net of any reimbursement. As at reporting date, the Group does not have any such provisions where the effect of time value of money is material.

6.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are reviewed at each Balance Sheet date.

6.10 Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Contingent assets are reviewed at each Balance Sheet date.

6.11 Earning Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

7. SEGMENT INFORMATION

The accounting policies adopted for Segment reporting are in line with the accounting policies of the Group with the following additional policies:

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the Segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Unallocable". Assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Assets and liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Unallocable".

8. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period and reported amounts of income and expenses for the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

8.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

8.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

8.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit

risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

8.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(x) Overview of ECL principles.

8.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

8.6 Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

8.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 9: CASH AND CASH EQUIVALENTS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	6,886.28	5,433.39
Balances with banks (of the nature of cash and cash equivalents)		
- Current Account	75,739.15	1,38,156.42
- Bank deposit with original maturity less than three months	4,44,283.30	2,48,051.84
Total	**5,26,908.73**	**3,91,641.65**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group and earn interest at the respective short-term deposit rates. The group has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and cash equivalent given above.

NOTE 10: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend accounts	88.51	86.42
Bank deposits with original maturity for more than 3 months*	32,388.28	44,135.99
Balance with banks to the extent held as Margin Money or security against the borrowings, guarantees, other commitments.**	84,737.96	1,00,086.75
Fixed deposits against demand loan	40,110.07	-
Total	**1,57,324.82**	**1,44,309.16**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits March 31, 2022: ₹ 14,310.13 Lakhs (March 31, 2021: ₹ 21,197.76 Lakhs) towards SLR requirement for Public Deposits Outstanding.

** Includes Deposit under lien for Bank Guarantee purpose to the extent of ₹ 25 Lakhs for March 31, 2022 (March 31, 2021: ₹ 25 Lakhs), lien with bank for pending completion of formalities relating to a borrower to the extent of ₹ 110 Lakhs for March 31, 2022 (March 31, 2021: ₹ 110 Lakhs), lien to the extent of ₹ 1,298.50 Lakhs for March 31,2022 (March 31, 2021: ₹ 1,298.50 Lakhs) marked in favour of IDBI Trusteeship Services Limited in respect to securitisation as cash collateral and also lien to the extent of ₹ 21.14 Lakhs for March 31, 2022 (March 31, 2021: ₹ 70 Lakhs) in favour of ICICI Bank in respect of sourcing and servicing agreement.

NOTE 11: RECEIVABLES

Trade Receivables

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	463.61	239.62
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Gross carrying amount	**463.61**	**239.62**
Less: Allowances for impairment loss on trade receivables considered good-unsecured	(24.52)	(9.63)
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net carrying amount	**439.09**	**229.99**

No trade or other receivable are due from directors or other officers of the group either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 11: RECEIVABLES (Contd.)

As at March 31, 2022

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	418.11	45.50	-	-	-	-	**463.61**
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables–considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	**-**	**418.11**	**45.50**	**-**	**-**	**-**	**-**	**463.61**
ECL - Simplified approach	**-**	**(22.12)**	**(2.40)**	**-**	**-**	**-**	**-**	**(24.52)**
Net carrying amount	**-**	**395.99**	**43.10**	**-**	**-**	**-**	**-**	**439.09**

As at March 31, 2021

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	203.02	36.60	-	-	-	-	**239.62**
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables–considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	**-**	**203.02**	**36.60**	**-**	**-**	**-**	**-**	**239.62**
ECL - Simplified approach	**-**	**(8.16)**	**(1.47)**	**-**	**-**	**-**	**-**	**(9.63)**
Net carrying amount	**-**	**194.86**	**35.13**	**-**	**-**	**-**	**-**	**229.99**

Reconciliation of impairment allowance on trade receivable

₹ in Lakhs

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2020	**3.36**
Add: Addition during the year	6.27
Less: Reduction during the year	-
Impairment allowance as per March 31, 2021	**9.63**
Add: Addition during the year	14.89
Less: Reduction during the year	-
Impairment allowance as per March 31, 2022	**24.52**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 12: LOANS AND ADVANCES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Loans (at amortised cost)		
(A)		
i) Term loans	37,67,814.20	32,89,128.66
ii) Others	-	-
Total (A) - Gross	**37,67,814.20**	**32,89,128.66**
Less: Impairment loss allowance (Refer Note No. 68.3)	2,13,214.57	2,09,348.78
Total (A) - Net	**35,54,599.63**	**30,79,779.88**
(B)		
i) Secured by tangible assets	31,47,399.14	29,06,485.48
ii) Secured by deposits	752.37	457.95
iii) Unsecured	6,19,662.69	3,82,185.23
Total (B) - Gross	**37,67,814.20**	**32,89,128.66**
Less: Impairment loss allowance (Refer Note No. 68.3)	2,13,214.57	2,09,348.78
Total (B) - Net	**35,54,599.63**	**30,79,779.88**
(C)		
Loans outside India	-	-
Loans in India		
i) Public Sector	-	-
ii) Others		
Corporate	1,23,869.91	1,21,452.64
Retail*	36,43,944.29	31,67,676.02
Total (C) - Gross	**37,67,814.20**	**32,89,128.66**
Less: Impairment loss allowance (Refer Note No. 68.3)	2,13,214.57	2,09,348.78
Total (C) - Net	**35,54,599.63**	**30,79,779.88**

* Includes ₹ 118.55 Lakhs (March 31, 2021: 126.45 Lakhs) loan given to related party.

There are no loans measured at FVOCI or FVTPL or designated at FVTPL.

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in note 48.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 48.2

₹ in Lakhs

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade								
Performing								
High grade	24,46,978.30	-	-	24,46,978.30	20,71,751.88	-	-	20,71,751.88
Standard grade	7,10,772.04	-	-	7,10,772.04	7,78,233.30	-	-	7,78,233.30
Sub-standard grade	-	3,24,357.90	-	3,24,357.90	-	1,16,763.01	-	1,16,763.01
Past due but not impaired	-	68,957.08	-	68,957.08	-	1,28,359.53	-	1,28,359.53
Non- performing	-	-	2,16,748.88	2,16,748.88	-	-	1,94,020.94	1,94,020.94
Total	**31,57,750.34**	**3,93,314.98**	**2,16,748.88**	**37,67,814.20**	**28,49,985.18**	**2,45,122.54**	**1,94,020.94**	**32,89,128.66**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 12: LOANS AND ADVANCES (Contd.)

An analysis of changes in the gross carrying amount as follows:

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**28,49,985.18**	**2,45,122.54**	**1,94,020.94**	**32,89,128.66**	**26,55,317.47**	**1,81,594.06**	**2,31,177.75**	**30,68,089.28**
New assets originated or purchased	26,84,950.92	1,75,949.29	27,048.04	28,87,948.25	18,65,195.82	57,215.90	12,476.90	19,34,888.62
Assets derecognised or repaid (excluding write-offs)	(20,27,119.46)	(2,26,993.02)	(69,566.48)	(23,23,678.96)	(14,92,252.63)	(86,109.96)	(50,417.84)	(16,28,780.43)
Transfers to Stage 1	63,158.17	(54,218.21)	(8,939.96)	-	78,395.10	(73,386.16)	(5,008.94)	-
Transfers to Stage 2	(3,18,784.99)	3,26,746.10	(7,961.11)	-	(1,85,156.12)	1,91,566.76	(6,410.64)	-
Transfers to Stage 3	(89,115.38)	(68,898.01)	1,58,013.39	-	(65,747.04)	(25,523.58)	91,270.62	-
Changes to contractual cash flows due to modifications not resulting in derecognition	1,837.31	(2,118.12)	280.81	-	(406.77)	239.35	167.42	-
Amounts written off	(7,161.41)	(2,275.59)	(76,146.75)	(85,583.75)	(5,360.65)	(473.83)	(79,234.33)	(85,068.81)
Gross carrying amount closing balance	**31,57,750.34**	**3,93,314.98**	**2,16,748.88**	**37,67,814.20**	**28,49,985.18**	**2,45,122.54**	**1,94,020.94**	**32,89,128.66**

Reconciliation of ECL balance is given below:

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**90,284.50**	**16,787.03**	**1,02,277.25**	**2,09,348.78**	**84,906.79**	**11,347.06**	**1,11,734.08**	**2,07,987.93**
New assets originated or purchased	62,199.36	8,028.12	11,126.06	81,353.54	42,538.14	2,212.18	2,524.51	47,274.83
Transfers to Stage 1	11,240.19	(5,756.62)	(5,483.57)	-	7,924.32	(5,290.03)	(2,634.29)	-
Transfers to Stage 2	(11,565.36)	16,005.73	(4,440.37)	-	(7,099.66)	10,415.51	(3,315.85)	-
Transfers to Stage 3	(3,428.75)	(4,677.17)	8,105.92	-	(2,890.51)	(2,478.98)	5,369.49	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(50,826.98)	(10,417.39)	69,340.37	8,096.00	(29,733.93)	1,055.11	67,833.65	39,154.83
Amounts written off	(7,161.41)	(2,275.59)	(76,146.75)	(85,583.75)	(5,360.65)	(473.82)	(79,234.34)	(85,068.81)
ECL allowance - closing balance	**90,741.55**	**17,694.11**	**1,04,778.91**	**2,13,214.57**	**90,284.50**	**16,787.03**	**1,02,277.25**	**2,09,348.78**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was ₹ 74,298.87 Lakhs (₹ 77,796.18 Lakhs for March 31, 2021).

The Group, in the normal course collects the dues by cheques / mandates and where there is a default, the Group issues a demand notice and initiates arbitration or in the alternative proceeds under SARFAESI Act, where the immovable property is offered as a collateral security. The Group may initiate civil suit in certain cases for recovery of the amount due. Proceedings under IBC may also initiated for recovery of the amount due under the loan agreement. In case of vehicle loan, the Group where possible takes steps to repossess the vehicle and in case of Jewel loan the Group takes steps to auction the jewels on issue of notice, to realise the dues.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 13: INVESTMENTS

₹ in Lakhs

Particulars	Amortised Cost	At Fair value		Sub-total (At Fair Value)	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit and loss account			
As at March 31, 2022						
i) Mutual funds	-	-	493.53	493.53	-	493.53
ii) Government securities	77,134.27	-	-	-	-	77,134.27
iii) Equity instruments *	-	7,515.00	-	7,515.00	-	7,515.00
iv) Investments in Pass Through Certificate	123.73	884.42	-	884.42	-	1,008.15
v) Security Receipts	-	-	819.72	819.72	-	819.72
vi) Treasury Bills	36,541.36	-	-	-	-	36,541.36
vii) Commercial Paper	7,444.64	-	-	-	-	7,444.64
viii) Deposits with Financial Institutions	-	-	-	-	-	-
ix) State Development Loan	5.00	-	-	-	-	5.00
Total Gross (A)	**1,21,249.00**	**8,399.42**	**1,313.25**	**9,712.67**	**-**	**1,30,961.67**
(i) Investments outside India	-	7,515.00	-	7,515.00	-	7,515.00
(ii) Investments in India	1,21,249.00	884.42	1,313.25	2,197.67	-	1,23,446.67
Total Gross (B)	**1,21,249.00**	**8,399.42**	**1,313.25**	**9,712.67**	**-**	**1,30,961.67**
Less : Allowance for impairment loss (C)	(12.81)	(0.69)	-	(0.69)	-	(13.50)
Total - Net D = (B) - (C)	**1,21,236.19**	**8,398.73**	**1,313.25**	**9,711.98**	**-**	**1,30,948.17**
As at March 31, 2021						
i) Mutual funds	-	-	434.03	434.03	-	434.03
ii) Government securities	8,638.94	-	-	-	-	8,638.94
iii) Equity instruments *	-	9,686.10	-	9,686.10	-	9,686.10
iv) Investments in Pass Through Certificate	161.00	1,404.28	-	1,404.28	-	1,565.28
v) Security Receipts	-	-	980.24	980.24	-	980.24
vi) Treasury Bills	66,090.73	-	-	-	-	66,090.73
vii) Deposits with Financial Institutions	5,027.50	-	-	-	-	5,027.50
Total Gross (A)	**79,918.17**	**11,090.38**	**1,414.27**	**12,504.65**	**-**	**92,422.82**
(i) Investments outside India	-	9,686.10	-	9,686.10	-	9,686.10
(ii) Investments in India	79,918.17	1,404.28	1,414.27	2,818.55	-	82,736.72
Total Gross (B)	**79,918.17**	**11,090.38**	**1,414.27**	**12,504.65**	**-**	**92,422.82**
Less : Allowance for impairment loss (C)	(7.28)	(1.23)	-	(1.23)	-	(8.51)
Total - Net D = (B) - (C)	**79,910.89**	**11,089.15**	**1,414.27**	**12,503.42**	**-**	**92,414.31**

More information regarding the valuation methodologies can be found in Note 47.9

There are no investments designated at FVTPL.

* The Group received dividends of ₹ 185.07 Lakhs (March 31, 2021: ₹ 190.28 Lakhs) from its investments measured at FVTOCI securities , recorded as dividend income.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 13: INVESTMENTS (Contd.)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances . Details of the Group's internal grading system are explained in note 48.2.

₹ in Lakhs

Internal Grade Rating	As at March 31, 2022				As at March 31, 2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Performing								
High grade	1,30,077.25	-	-	1,30,077.25	91,018.54	-	-	91,018.54
Standard grade	884.42	-	-	884.42	1,404.28	-	-	1,404.28
Non-performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	**1,30,961.67**	**-**	**-**	**1,30,961.67**	**92,422.82**	**-**	**-**	**92,422.82**

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	**92,422.82**	**-**	**-**	**92,422.82**	**72,319.98**	**-**	**-**	**72,319.98**
New assets originated or purchased	6,37,197.56	-	-	6,37,197.56	2,74,207.54	-	-	2,74,207.54
Assets derecognised or matured	(6,00,858.92)	-	-	(6,00,858.92)	(2,58,587.90)	-	-	(2,58,587.90)
Other changes								
Amortization of G-sec Premium	2,068.22	-	-	2,068.22	(71.20)	-	-	(71.20)
Interest on investment at amortised cost	1,431.06	-	-	1,431.06	2,870.77	-	-	2,870.77
Change in fair value								
OCI	(2,171.10)	-	-	(2,171.10)	768.97	-	-	768.97
Profit & Loss	872.03	-	-	872.03	914.66	-	-	914.66
Closing balance	**1,30,961.67**	**-**	**-**	**1,30,961.67**	**92,422.82**	**-**	**-**	**92,422.82**

Reconciliation of ECL balance is given below:

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**8.51**	**-**	**-**	**8.51**	**1.81**	**-**	**-**	**1.81**
New assets originated or purchased	11.58	-	-	11.58	7.27	-	-	7.27
Changes to models and inputs used for ECL calculations	2.05	-	-	2.05	-	-	-	-
Recoveries	(7.30)	-	-	(7.30)	-	-	-	
Assets derecognised or matured	(1.34)	-	-	(1.34)	(0.44)	-	-	(0.44)
ECL assumption changes	-	-	-	-	(0.13)	-	-	(0.13)
Closing balance in ECL	**13.50**	**-**	**-**	**13.50**	**8.51**	**-**	**-**	**8.51**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 14: OTHER FINANCIAL ASSETS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	2,875.27	2,662.13
Assignment receivable	15,134.73	12,585.01
Less: ECL on Assignment Receivable	(127.93)	(372.49)
Lease Receivable	8.27	11.65
Less : ECL on Lease Receivable	(0.09)	(0.25)
Other receivables	375.75	352.58
Employee benefits recoverable from former employers for transfer of employees	984.25	988.03
Total	**19,250.25**	**16,226.66**

Reconciliation of impairment allowance

₹ in Lakhs

Particulars	Amount	
	Assignment Receivable	Net Lease Receivable
Impairment allowance measured as per simplified approach		
Impairment allowance as per March 31, 2020	**247.15**	**0.47**
Add: Addition during the year	125.34	-
Less: Reversal during the year	-	(0.22)
Impairment allowance as per March 31, 2021	**372.49**	**0.25**
Add: Addition during the year	56.94	-
Less: Reversal during the year	(301.50)	(0.16)
Impairment allowance as per March 31, 2022	**127.93**	**0.09**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 15: PROPERTY, PLANT AND EQUIPMENT'S

₹ in Lakhs

Particulars	Land-freehold	Building	Office equipments	Electrical installations	Computer equipments	Furniture & fixtures	Vehicles	Leasehold improvements	Total
Gross Block at Cost									
As at March 31, 2020	**2.59**	**12.94**	**3,229.78**	**3,812.88**	**7,933.22**	**2,843.94**	**70.26**	**14,023.64**	**31,929.27**
Additions	-	-	69.14	189.49	793.72	117.77	27.52	685.58	1,883.22
Disposals	-	-	5.77	125.06	533.28	40.55	16.57	278.28	999.51
As at March 31, 2021	**2.59**	**12.94**	**3,293.15**	**3,877.31**	**8,193.66**	**2,921.16**	**81.21**	**14,430.94**	**32,812.98**
Additions	-	-	47.08	297.92	894.22	260.94	-	1,054.95	2,555.11
Disposals	-	-	53.64	79.85	514.82	28.17	13.86	335.18	1,025.52
As at March 31, 2022	**2.59**	**12.94**	**3,286.59**	**4,095.38**	**8,573.06**	**3,153.93**	**67.35**	**15,150.71**	**34,342.57**
Accumulated Depreciation and Impairment Losses									
As at March 31, 2020	**-**	**4.02**	**2,706.93**	**1,676.16**	**6,349.89**	**1,645.70**	**30.93**	**11,725.62**	**24,139.25**
Disposals	-	-	5.51	87.59	506.65	24.90	11.80	246.97	883.42
Depreciation charge for the year	-	0.17	145.53	349.42	834.78	202.37	7.77	1,175.84	2,715.88
As at March 31, 2021	**-**	**4.19**	**2,846.95**	**1,937.99**	**6,678.02**	**1,823.17**	**26.90**	**12,654.49**	**25,971.71**
Disposals	-	-	51.17	69.89	489.19	23.13	7.77	330.61	971.76
Depreciation charge for the year	-	0.17	114.64	358.15	698.30	199.29	8.25	1,008.96	2,387.76
As at March 31, 2022	**-**	**4.36**	**2,910.42**	**2,226.25**	**6,887.13**	**1,999.33**	**27.38**	**13,332.84**	**27,387.71**
Net carrying amount as at March 31, 2021	**2.59**	**8.75**	**446.20**	**1,939.32**	**1,515.64**	**1,097.99**	**54.31**	**1,776.45**	**6,841.27**
Net carrying amount as at March 31, 2022	**2.59**	**8.58**	**376.17**	**1,869.13**	**1,685.93**	**1,154.60**	**39.97**	**1,817.87**	**6,954.86**

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2022 is ₹ 2.59 Lakhs (March 31,2021: ₹ 2.59 Lakhs).

There are no assets acquired on account of business combination nor revalued for the year ended March 31,2022 and March 31,2021.

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 16: OTHER INTANGIBLE ASSETS

₹ in Lakhs

Particulars	Computer Software
Gross Block at Cost	
As at March 31, 2020	**4,900.48**
Additions	150.37
Disposals	-
As at March 31, 2021	**5,050.85**
Additions	144.51
Disposals	12.31
As at March 31, 2022	**5,183.05**
Accumulated Amortisation and Impairment Losses	
As at March 31, 2020	**4,131.85**
Amortisation charge for the year	275.64
Disposals	-
As at March 31, 2021	**4,407.49**
Amortisation charge for the year	287.47
Disposals	10.84
As at March 31, 2022	**4,684.12**
Net carrying amount as at March 31, 2021	**643.36**
Net carrying amount as at March 31, 2022	**498.93**

Other than internally generated

NOTE 17: RIGHT OF USE ASSETS

₹ in Lakhs

Particulars	As at March 31, 2022			As at March 31, 2021		
	Office Premises	Furniture & Fixtures	Total	Office Premises	Furniture & Fixtures	Total
Gross Carrying Amount	**16,407.87**	**131.01**	**16,538.88**	**16,335.23**	**243.55**	**16,578.78**
Additions	7,537.99	29.57	7,567.56	6,675.50	-	6,675.50
Amortisation charge for the year	(5,834.79)	(112.49)	(5,947.28)	(5,608.40)	(112.54)	(5,720.94)
Deletions	(473.01)	(4.19)	(477.20)	(994.46)	-	(994.46)
Net Carrying Amount	**17,638.06**	**43.90**	**17,681.96**	**16,407.87**	**131.01**	**16,538.88**

NOTE 18: OTHER NON-FINANCIAL ASSETS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Goods and Service tax credit (input) receivable	10,380.19	9,035.62
Other Advances	402.39	255.97
Statutory duties paid under protest	766.66	766.66
Capital advances	213.24	88.06
Prepaid expenses	2,072.40	1,532.05
Repossessed House Property*	8,073.19	7,116.63
Deposit with gratuity fund in excess of obligation	858.98	1,475.55
Total	**22,767.05**	**20,270.54**

* reflected at fair value through profit and loss

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 19 - DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivatives for risk management purposes. Derivatives held for risk management purposes includes hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Group has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

₹ in Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Liabilities
(i) Currency derivatives:				
- Spots and forwards	5,218.44	5.49	-	-
- Currency futures	-	-	-	-
- Currency swaps	-	-	-	-
Sub total (i)	**5,218.44**	**5.49**	**-**	**-**
(ii) Interest rate derivatives:				
- Forward rate agreements and interest rate swaps	-	-	-	-
- Futures	-	-	-	-
Sub total (ii)	-	-	-	-
(iii) Credit derivatives:	-	-	-	-
(iv) Equity linked derivatives:	-	-	-	-
(v) Other derivatives:	-	-	-	-
Total derivative financial instruments (i+ii+iii+iv+v)	**5,218.44**	**5.49**	**-**	**-**

Consequent to the repayment of loan during the year the forward contract is closed.

Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Group's risk management strategy and how it is applied to manage risk are explained in Note 48.2.1.

Derivatives designated as hedging instruments

The Group has not designated any derivatives as hedging instruments.

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage its foreign currency risk arising from borrowings in foreign currencies.

Details of the derivative instruments are given below:

₹ in Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Liabilities
Interest rate risk:				
-Interest rate swaps	-	-	-	-
-Futures	-	-	-	-
Foreign currency risk:				
-Currency futures	-	-	-	-
-Currency swaps	-	-	-	-
-Forward contracts	5,218.44	5.49	-	-
Total	**5,218.44**	**5.49**	**-**	**-**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 20: OTHER PAYABLES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises (Refer Note No. 49)	6.39	18.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,303.17	7,856.73
Total	**5,309.56**	**7,875.63**

As at March 31, 2022

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	6.39	-	-	-	6.39
Others	4,301.74	908.33	68.41	-	2.11	22.58	5,303.17
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-
Total	**4,301.74**	**908.33**	**74.80**	**-**	**2.11**	**22.58**	**5,309.56**

As at March 31, 2021

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	0.28	18.62	-	-	-	18.90
Others	4,620.26	1,846.08	1,363.45	4.09	2.92	19.93	7,856.73
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-
Total	**4,620.26**	**1,846.36**	**1,382.07**	**4.09**	**2.92**	**19.93**	**7,875.63**

NOTE 21: DEBT SECURITIES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Redeemable Non-Convertible Debentures (Secured)		
Public issue*	38,902.41	86,924.21
Privately placed **	6,60,936.15	3,89,851.76
Redeemable Non-Convertible Debentures (Unsecured)		
Privately placed	5,005.15	7,476.85
Total	**7,04,843.71**	**4,84,252.82**
Debt securities in India	7,04,843.71	4,84,252.82
Debt securities outside India	-	-
Total	**7,04,843.71**	**4,84,252.82**

There are no debt securities measured at FVTPL or designated at FVTPL.

* Includes ₹ 4,163.59 Lakhs (March 31, 2021 ₹ 5,192.17 Lakhs) issued to related parties.

** Includes ₹ 20,065.85 Lakhs (March 31, 2021 ₹ 2,389.34 Lakhs) issued to related parties.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 21 : DEBT SECURITIES (Contd.)

A. Public Issue of Redeemable Non-Convertible Debentures (NCDs) Secured of ₹ 1,000/- each - Quoted

Issued in 2019

₹ in Lakhs

Tranche I Series	Rate of Interest	As at March 31, 2022	As at March 31, 2021	Redemption Date
Series I	9.55%	-	42,330.07	30-Apr-21
Series II	9.54%	-	2,955.37	30-Apr-21
Series III	9.65%	7,061.02	6,985.01	30-Apr-22
Series IV	9.26%	4,082.17	4,034.35	30-Apr-22
Series V	9.64%	3,220.49	2,902.22	30-Apr-22
Series VI	9.75%	7,111.79	7,065.31	30-Apr-24
Series VII	9.35%	3,456.31	3,431.69	30-Apr-24
Series VIII	9.75%	2,708.83	2,450.56	30-Apr-24
		27,640.61	**72,154.58**	

₹ in Lakhs

Tranche II Series	Rate of Interest	As at March 31, 2022	As at March 31, 2021	Redemption Date
Series I	9.55%	-	3,098.30	25-Sep-21
Series II	9.55%	-	617.73	25-Sep-21
Series III	9.70%	1,656.51	1,646.07	25-Sep-22
Series IV	9.30%	1,322.31	1,313.58	25-Sep-22
Series V	9.71%	1,036.45	938.58	25-Sep-22
Series VI	9.85%	5,441.10	5,420.43	25-Sep-24
Series VII	9.45%	1,096.67	1,092.30	25-Sep-24
Series VIII	9.88%	708.76	642.64	25-Sep-24
		11,261.80	**14,769.63**	
Grand Total - Tranche I and II		**38,902.41**	**86,924.21**	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the Group's specifically identified assets such as book debts / loan receivables in favour of the Trustees appointed.

Secured redeemable non- convertible debentures may be bought back subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Group.

B. Redeemable Non-Convertible Debentures - Secured

Privately Placed Redeemable Non-Convertible Debenture -Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 10,00,000/- each - Quoted and for two INEs - INE722A07AG5 and INE722A07AH3, the face value is ₹ 1,00,000/- each

₹ in Lakhs

Rate of Interest	As at March 31, 2022	As at March 31, 2021	Redemption Date
9.50%	-	2,142.46	01-Jul-21
8.97%	-	3,539.24	12-Aug-21
10.25%	-	4,708.77	10-Oct-21
10.25%	-	1,568.27	13-Oct-21
9.35%	-	1,534.72	26-Dec-21
9.70%**	-	54,807.61	05-Mar-22

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 21 : DEBT SECURITIES (Contd.)

₹ in Lakhs

Rate of Interest	As at March 31, 2022	As at March 31, 2021	Redemption Date
8.98%	-	15,540.55	09-Mar-22
8.15%	-	9,983.63	21-Mar-22
9.90%	11,189.80	10,290.26	04-Apr-22
8.98%	20,868.80	20,713.25	06-Apr-22
8.15%	10,356.59	10,344.85	22-Apr-22
8.15%	2,569.63	2,529.63	18-May-22
8.92%	22,183.83	20,034.55	18-Aug-22
9.90%	11,972.00	10,992.93	29-Sep-22
8.09%	8,203.85	8,202.91	05-Dec-22
7.70%	35,688.48	-	21-Dec-22
8.60%	16,339.29	14,825.47	27-Jan-23
9.25%	23,648.62	49,812.53	28-Feb-23
8.60%	52,900.01	47,903.37	01-Mar-23
9.25%**	2,460.80	2,479.95	05-Mar-23
8.90%	11,510.17	11,513.58	27-Mar-23
8.40%	21,322.23	19,705.94	30-Mar-23
9.00%	2,703.33	2,699.23	29-Apr-23
9.00%	1,620.87	1,618.41	02-May-23
8.40%	32,037.06	29,091.02	17-May-23
7.50%	44,180.04	-	22-May-23
8.55%	4,272.16	4,264.59	05-Jun-23
7.68%	10,248.58	-	30-Jun-23
8.22%	20,489.35	-	01-Mar-24
8.20%	30,540.84	-	23-May-24
9.25% #	49,775.36	4,970.79	28-May-24
8.25%	5,224.94	-	23-Jul-24
7.95% #	25,591.91	-	12-Aug-24
7.48%	30,618.48	-	21-Sep-24
10.30%	4,165.27	4,153.85	10-Oct-24
7.45%	10,022.91	-	04-Mar-25
9.25%	978.34	975.18	08-Feb-30
9.25%	4,851.84	4,833.76	22-Feb-30
9.60%	1,735.38	1,733.75	11-Dec-30
9.42%	2,123.24	2,121.20	15-Jan-31
9.50%	2,934.67	2,926.36	07-Feb-31
9.50%	7,307.97	7,289.15	21-Feb-31
9.32%	1,076.14	-	03-May-31
9.00%	10,194.95	-	23-Jun-31
8.75%	10,340.55	-	23-Jul-31
8.65%	19,235.88	-	21-Sep-31
9.05%	59,852.59	-	20-Dec-31
9.00%	17,599.41	-	22-Feb-32
Total	**6,60,936.15**	**3,89,851.76**	

** Two NCDs having INEs INE722A07AG5 and INE722A07AH3 have face value of ₹ 1,00,000/- each

Out of the above, the following INE722A07AU6 and INE722A07AY8 totalling to ₹ 75,367.27 Lakhs (March 31, 2021: ₹ 4,970.79 Lakhs for INE722A07AU6) are having put option facility, as may be subject to applicable statutory and / or regulatory requirements, upon the terms and conditions as may be decided by the Group.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 21 : DEBT SECURITIES (Contd.)

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Group's specifically identified assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 15 months to 120 months from the date of allotment depending on the terms of the agreement.

C. Redeemable Non-Convertible Debentures - Unsecured

Privately Placed Redeemable Non-Convertible Debenture -Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 10,00,000/- each - Quoted

₹ in Lakhs

Rate of Interest	As at March 31, 2022	As at March 31, 2021	Redemption Date
10.60%	-	2,513.00	09-May-21
10.60%	2,513.82	2,488.13	09-May-22
10.60%	2,491.33	2,475.72	09-May-23
Total	**5,005.15**	**7,476.85**	

These unsecured redeemable non-convertible debentures are redeemable at par over a period of 24 months to 48 months from the date of allotment depending on the terms of the agreement.

NOTE 22: BORROWINGS (OTHER THAN DEBT SECURITIES)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Secured		
Term Loan		
from bank in INR	11,37,904.89	9,85,835.07
from financial institution/ NBFC in INR	3,48,573.13	2,78,436.28
from National Housing Bank	55,463.27	8,981.52
from bank in INR-Securitisation	24,638.38	46,018.97
from financial institution/ NBFC in INR- Securitisation	1,91,152.68	2,99,853.14
from bank in INR - Demand Loan against Fixed Deposits	36,000.00	-
Loans repayable on demand		
Cash credit / Overdraft facilities from banks	35,554.05	36,833.51
Working Capital demand loan from banks	2,37,082.43	1,81,514.47
Total	**20,66,368.83**	**18,37,472.96**
Borrowings in India	20,66,368.83	18,37,472.96
Borrowings outside India	-	-
Total	**20,66,368.83**	**18,37,472.96**

There are no borrowings measured at FVTPL or designated at FVTPL.

The borrowings have not been guaranteed by directors or others. The Group has not defaulted in repayment of principal and interest to its lenders.

The Group has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Group has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 22: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term Loan from Bank in Indian currency-Secured

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	3.24% to 10.60%	3 to 60 installments of Monthly, Quarterly, Half-yearly frequency and Bullet Payment	1,85,921.32
12-24 months	3.24% to 9.95%	4 to 60 installments of Monthly, Quarterly and Half-yearly frequency	2,32,576.23
24-36 months	3.24% to 9.40%	8 to 60 installments of Monthly, Quarterly and Half-yearly frequency	3,24,380.10
36-48 months	3.24% to 9.50%	8 to 60 installments of Monthly, Quarterly and Half-yearly frequency	3,35,044.34
48-60 months	3.24% to 8.50%	8 to 60 installments of Monthly, Quarterly and Half-yearly frequency	59,982.90
Total			**11,37,904.89**

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	7.20% to 11.50%	1 to 60 installments of monthly, quarterly, Half-yearly frequency and Bullet Payment	2,58,246.82
12-24 months	7.30% to 10.60%	3 to 60 installments of monthly, quarterly and Half-yearly frequency	2,92,139.80
24-36 months	7.60% to 10.25%	4 to 60 installments of monthly, quarterly and Half-yearly frequency	2,28,268.62
36-48 months	7.60% to 10.25%	8 to 60 installments of monthly, quarterly and Half-yearly frequency	1,84,292.25
48-60 months	7.60% to 10.25%	8 to 60 installments of monthly, quarterly and Half-yearly frequency	22,887.58
Total			**9,85,835.07**

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 22: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term Loan from Financial Institutions/ NBFC-Secured

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	7.60% to 9.50%	1 to 120 Monthly, Quarterly frequency and Bullet Payment	14,378.39
12-24 months	8.10% to 9.50%	10 to 120 Monthly, Quarterly frequency	4,242.21
24 to 36 months	8.10% to 10.50%	10 to 120 Monthly, Quarterly and Half-yearly frequency	42,650.20
36-48 months	7.20% to 9.75%	20 to 120 Monthly and Quarterly frequency	1,15,673.26
48 to 60 months	8.00% to 9.50%	19 to 120 Monthly and Quarterly frequency	1,69,000.16
Above 60 months	8.10% to 9.50%	27 to 120 Monthly and Quarterly frequency	2,628.91
Total			**3,48,573.13**

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	6.21% to 10.35%	1 to 120 Monthly, Quarterly frequency and Bullet Payment	44,716.99
12-24 months	7.60% to 10.35%	12 to 120 Monthly and Quarterly frequency	13,858.39
24 to 36 months	8.25% to 10.35%	10 to 120 Monthly and Quarterly frequency	5,473.89
36-48 months	10.35% to 10.50%	20 to 120 Monthly and Half-yearly frequency	29,116.66
48 to 60 months	7.20% to 10.35%	20 to 120 Monthly and Quarterly frequency	1,46,182.10
Above 60 months	8.75% to 10.35%	20 to 120 Monthly and Quarterly frequency	39,088.25
Total			**2,78,436.28**

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from National Housing Bank

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	2.94% to 7.45%	20 to 39 Quarterly frequency	6,934.20
12-24 months	2.94% to 7.45%	20 to 39 Quarterly frequency	9,245.60
24 to 36 months	2.94% to 7.45%	20 to 39 Quarterly frequency	7,952.12
36-48 months	2.94% to 6.45%	20 to 39 Quarterly frequency	6,505.60
48 to 60 months	2.94% to 6.45%	20 to 39 Quarterly frequency	6,505.60
Above 60 months	2.94% to 6.45%	20 to 39 Quarterly frequency	18,320.15
Total			**55,463.27**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 22: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	7.10%	20 Quarterly frequency	2,055.00
12-24 months	7.10%	20 Quarterly frequency	2,740.00
24 to 36 months	7.10%	20 Quarterly frequency	2,740.00
36-48 months	7.10%	20 Quarterly frequency	1,446.52
Total			**8,981.52**

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term loan from banks - INR - Securitisation

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
Upto 12 months	7.94% to 8.80%	202 to 278 installments of monthly frequency	366.64
12-24 months	7.94% to 8.80%	202 to 278 installments of monthly frequency	267.61
24 to 36 months	7.94% to 9.10%	202 to 278 installments of Monthly frequency	19,156.57
36-48 months	7.94% to 8.80%	202 to 278 installments of monthly frequency	323.24
48 to 60 months	7.94% to 8.80%	202 to 278 installments of monthly frequency	353.27
Above 60 months	7.94% to 8.80%	202 to 278 installments of monthly frequency	4,171.05
Total			**24,638.38**

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
Upto 12 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	610.77
12-24 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	260.23
24 to 36 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	289.77
36-48 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	321.97
48 to 60 months	7.99% to 10.00%	1 to 290 installments of monthly frequency	38,963.25
Above 60 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	5,572.98
Total			**46,018.97**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 22: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Term loan from Financial Institutions/ NBFC - INR -Securitisation

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Total Amount
Upto 12 months	7.78% to 8.20%	1 to 23 installments of Monthly frequency	13,044.73
12-24 months	6.69% to 10.25%	1 to 52 installments of Monthly frequency	84,014.24
24-36 months	7.85% to 10.25%	1 to 72 installments of Monthly frequency	37,750.90
36-48 months	9.00% to 10.25%	1 to 72 installments of Monthly frequency	19,398.17
48-60 months	9.11%	1 to 75 installments of Monthly frequency	36,944.64
Total			**1,91,152.68**

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Total Amount
Upto 12 months	10.40%	1 to 23 installments of monthly frequency	445.01
12-24 months	8.20% to 10.55%	1 to 30 installments of monthly frequency	72,922.50
24-36 months	8.20% to 10.25%	1 to 52 installments of monthly frequency	76,426.41
36-48 months	10.25% to 10.30%	1 to 72 installments of monthly frequency	40,005.80
48-60 months	9.00% to 10.25%	1 to 72 installments of monthly frequency	45,937.46
Above 60 months	9.11%	1 to 75 installments of monthly frequency	64,115.96
Total			**2,99,853.14**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Term loan from banks - INR - Demand Loan against fixed deposits

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	As at March 31, 2022	As at March 31, 2021
Secured against fixed deposits of ₹ 40,000/-	4.10%	36,000.00	-
Total		**36,000.00**	**-**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 22: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Loans repayable on demand-Secured

Cash Credit from Banks

₹ in Lakhs

Particulars	Rate of Interest	As at March 31, 2022	As at March 31, 2021
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.20% to 10.45%	35,554.05	36,833.51
Total		**35,554.05**	**36,833.51**

Working capital Demand loan from Banks

₹ in Lakhs

Particulars	Rate of Interest	As at March 31, 2022	As at March 31, 2021
Secured with exclusive charge by way of hypothecation of specific assets under financing.	6.71% to 10.15%	2,37,082.43	1,81,514.47
Total		**2,37,082.43**	**1,81,514.47**

NOTE 23: DEPOSITS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Unsecured		
Deposits		
i) Public deposits *	6,82,450.02	5,52,881.69
ii) Recurring deposits	388.62	7.09
Total	**6,82,838.64**	**5,52,888.78**

There are no deposits measured at FVTPL or designated at FVTPL.

* includes ₹ 1,260.27 Lakhs (March 31, 2021 ₹ 1,052.63 Lakhs) accepted from related parties.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 23: DEPOSITS (Contd.)

Details of Public Deposits - Unsecured

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	87,019.02	1,25,498.09	2,12,517.11
12-24 months	39,264.30	1,20,641.25	1,59,905.55
24-36 months	94,828.10	73,436.12	1,68,264.22
36-48 months	3,136.10	65,482.04	68,618.14
48-60 months	40,776.40	32,368.60	73,145.00
Total	**2,65,023.92**	**4,17,426.10**	**6,82,450.02**

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	65,754.95	97,205.09	1,62,960.04
12-24 months	23,585.51	1,22,138.47	1,45,723.98
24-36 months	17,871.37	1,17,186.77	1,35,058.14
36-48 months	775.24	43,779.59	44,554.83
48-60 months	-	64,584.70	64,584.70
Total	**1,07,987.07**	**4,44,894.62**	**5,52,881.69**

Details of Recurring deposits - Unsecured

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	152.56	-	152.56
12-24 months	33.38	5.70	39.08
24-36 months	0.01	47.94	47.95
36-48 months	-	40.05	40.05
48-60 months	-	108.98	108.98
Total	**185.95**	**202.67**	**388.62**

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	2.10	-	2.10
12-24 months	0.49	-	0.49
24-36 months	-	0.70	0.70
36-48 months	-	0.05	0.05
48-60 months	-	3.75	3.75
Total	**2.59**	**4.50**	**7.09**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 24: OTHER FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Investor education and protection fund shall be credited by the following amounts (as and when due) #		
- Unclaimed dividend	88.51	86.42
- Unclaimed matured deposits and interest thereon	6,616.72	6,156.82
- Unclaimed matured debentures and interest thereon	386.92	573.98
- Unclaimed matured subordinate debts and interest accrued thereon	921.31	2,059.81
Payable on account of assignment	2,837.89	3,283.44
Royalty payable	1,885.82	1,751.03
Creditors for Supplies & Services	466.38	452.99
Employee related payables	5,956.67	5,508.53
Lease Liability	19,397.57	17,763.36
COVID-19 Ex-gratia relief Payable	-	140.10
Dividend payable*	-	6,600.50
Total	**38,557.79**	**44,376.98**

There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF)

* Represents second interim dividend declared on March 26, 2021 which is payable to the shareholders whose names appeared on the register of members as at April 7, 2021 being record date. This second interim dividend was paid to shareholders on April 19, 2021.

Lease Liability

As at March 31, 2022

₹ in Lakhs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on March 31, 2021)	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the year	Payment of lease Liabilities during the year	Rent lease concession	Amount of Lease Liabilities as on March 31, 2022
Office Premises	17,597.62	7,307.28	(518.70)	1,928.53	(6,855.13)	(117.50)	19,342.10
Furniture, Fixtures	154.08	29.13	(4.88)	8.58	(139.72)	-	47.19
Total	**17,751.70**	**7,336.41**	**(523.58)**	**1,937.11**	**(6,994.85)**	**(117.50)**	**19,389.29**

As at March 31, 2021

₹ in Lakhs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on March 31, 2020)	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the year	Payment of lease Liabilities during the year	Rent lease concession	Amount of Lease Liabilities as on March 31, 2021
Office Premises	16,861.79	6,424.95	(1,046.66)	1791.45	(5,923.00)	(510.91)	17,597.62
Furniture, Fixtures	273.82	-	-	20.17	(139.91)	-	154.08
Total	**17,135.61**	**6,424.95**	**(1,046.66)**	**1,811.62**	**(6,062.91)**	**(510.91)**	**17,751.70**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 24: OTHER FINANCIAL LIABILITIES (Contd.)

₹ in Lakhs

Class of Underlying Asset - Car*	As at March 31, 2022	As at March 31, 2021
Opening Balance of Lease Liabilities	11.66	14.73
Finance cost	0.93	1.24
Payment of Lease Liabilities during the year	(4.31)	(4.31)
Closing Balance of Lease Liabilities	**8.28**	**11.66**

* The car is sub leased to the employee.

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amounts recognised in the Statement of Profit and Loss		
Depreciation expense of right-of-use assets	5,947.28	5,720.94
Interest expense on lease liabilities	1,937.11	1,811.62
Expense relating to short-term leases (included in other expenses)	-	-
Expense relating to leases of low-value assets (included in other expenses)	-	-
Variable lease payments (included in other expenses)	-	-
The Group had remeasured lease liability in respect of certain leases during the year and income on such remeasurement of leases as per Ind AS 116 is included in other income	(117.50)	(510.91)
Total amount recognised in profit or loss	**7,766.89**	**7,021.65**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The table below provides details regarding the contractual maturities of lease liabilities.

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one year	4,768.92	4,578.96
Later than one year but not later than five years	10,712.46	9,727.25
Later than 5 years	3,916.19	3,457.15
Total	**19,397.57**	**17,763.36**

The Group has taken various office premises under lease. Certain agreements provide for cancellation by either party / contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 25: PROVISIONS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
For Employee benefit		
- Gratuity	60.12	118.38
- Provision for compensated absences	2,434.60	2,413.52
For Others		
- Undrawn loan commitment	496.95	325.14
Total	**2,991.67**	**2,857.04**

Loan Commitment

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 48.2 along policies on whether ECL allowances are calculated on an individual or collective basis.

₹ in Lakhs

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal Rating Grade								
Performing								
High Grade	52,547.66	-	-	52,547.66	23,585.47	-	-	23,585.47
Standard Grade	127.87	-	-	127.87	60.60	-	-	60.60
Sub Standard Grade	-	129.42	-	129.42	-	86.38	-	86.38
Past due but not impaired	-	-	-	-	-	54.15	-	54.15
Total	**52,675.53**	**129.42**	**-**	**52,804.95**	**23,646.07**	**140.53**	**-**	**23,786.60**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Opening balance of outstanding exposure	**23,646.07**	**140.53**	**-**	**23,786.60**	**19,347.28**	**62.27**	**-**	**19,409.55**
New exposures	47,410.94	-	-	47,410.94	20,007.02	-	-	20,007.02
Exposures cancelled or disbursed (excluding write-offs)	(18,275.07)	(117.52)	-	(18,392.59)	(15,589.17)	(40.80)	-	(15,629.97)
Transfer to Stage 1	40.56	(40.56)	-	-	-	-	-	-
Transfer to Stage 2	(146.97)	146.97	-	-	(119.06)	119.06	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Closing balance of outstanding exposure	**52,675.53**	**129.42**	**-**	**52,804.95**	**23,646.07**	**140.53**	**-**	**23,786.60**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 25: PROVISIONS (Contd.)

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	General approach			Total	General approach			Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective		Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	
ECL allowance - opening balance	**320.91**	**4.23**	**-**	**325.14**	**158.66**	**2.44**	**-**	**161.10**
New exposures	456.60	-	-	456.60	300.95	-	-	300.95
Exposures derecognised or matured/repaid (excluding write-offs)	(286.40)	(2.55)	-	(288.95)	(135.24)	(1.67)	-	(136.91)
Transfer to Stage 1	1.65	(1.65)	-	-	-	-	-	-
Transfer to Stage 2	(1.01)	5.17	-	4.16	(3.46)	3.46	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**491.75**	**5.20**	**-**	**496.95**	**320.91**	**4.23**	**-**	**325.14**

NOTE 26: OTHER NON-FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	6,510.18	2,511.07
Retention money and other sundry liabilities	8.50	33.21
Total	**6,518.68**	**2,544.28**

NOTE 27: EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised:		
11,85,00,000 (March 31, 2021: 11,85,00,000) equity shares of ₹ 10/- each	11,850.00	11,850.00
40,00,000 (March 31, 2021: 40,00,000) cumulative redeemable preference shares of ₹ 100/- each	4,000.00	4,000.00
Total	**15,850.00**	**15,850.00**
Issued share capital		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Subscribed share capital		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Paid up (fully paid up)		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Total Equity	**6,662.80**	**6,600.50**
Issued, Subscribed and fully paid up Equity Shares		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Total Equity	**6,662.80**	**6,600.50**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 27: EQUITY SHARE CAPITAL (Contd.)

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. of Shares	₹ in Lakhs
As at March 31, 2020	**6,60,02,922**	**6,600.29**
Issued during the year*	2,100	0.21
As at March 31, 2021	**6,60,05,022**	**6,600.50**
Issued during the year*	6,22,994	62.30
As at March 31, 2022	**6,66,28,016**	**6,662.80**

* Relates to ESOP allotment

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 6,84,614 (March 31, 2021 : 77,870) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP), wherein a part of the consideration was received in form of employee service.

d. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Shriram Capital Limited	2,23,71,594	33.58%	2,23,71,594	33.89%
Dynasty Acquisition FPI Limited	1,34,21,889	20.14%	1,34,21,889	20.33%
Piramal Enterprises Limited	65,79,840	9.88%	65,79,840	9.97%

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders / members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e. Shareholding of Promoters*

Shares held by promoters/ promoter groups at the end of the year	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
Promoter Name						
Shriram Capital Limited	2,23,71,594	33.58%	-0.94%	2,23,71,594	33.89%	0.00%
Shriram Ownership Trust	4,88,383	0.73%	-100.00%	-	0.00%	NA
Shriram Value Services Limited	2,01,106	0.30%	-100.00%	-	0.00%	NA
Shriram Financial Ventures (Chennai) Private Limited	-	0.00%	-100.00%	4,88,383	0.74%	3599.59%
Total	**2,30,61,083**			**2,28,59,977**		

* Promoter here means promoter as defined in the Companies Act, 2013.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 27: EQUITY SHARE CAPITAL (Contd.)

f. Dividend Details

The Board of Directors in their meeting held on March 8, 2022 declared second interim equity dividend of 270% (₹ 27/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2021-22, amounting to ₹ 1,79,82,48,195/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim equity dividend was March 17, 2022. The second interim dividend was paid to eligible shareholders on March 25, 2022. The Board of Directors have not recommended final dividend. As such the interim dividend aggregating to ₹ 37/-per share (i.e. 370 %) shall be the final dividend for the financial year 2021-22 .

The Board of Directors in their meeting held on October 27, 2021 declared interim equity dividend of 100% (₹ 10/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2021-22, amounting to ₹ 66,15,81,390/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of interim equity dividend was November 12, 2021. The interim dividend was paid to eligible shareholders on November 24, 2021.

Pursuant to the final equity dividend for the financial year 2020- 21 approved by the shareholders at the 35th Annual General Meeting held on July 29, 2021, the Company paid the final equity dividend of 130% (₹ 13/- per equity share of nominal face value of ₹ 10/- each fully paid up) aggregating to ₹ 85,80,65,286/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of final equity dividend was July 22, 2021 and the payment was made on August 21, 2021. With this the total dividend for the financial year 2020-21 is ₹ 33 /- per share (i.e. 330 %).

The Board of Directors in their meeting held on March 26, 2021 declared second interim equity dividend of 100% (₹ 10/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2020-21, amounting to ₹ 66,00,50,220/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim dividend was April 07, 2021 and the payment was done on April 19, 2021.

The Board of Directors in their meeting held on November 2, 2020 declared first interim equity dividend of 100% (₹ 10/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2020-21, amounting to ₹ 66,00,43,220/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim dividend was November 12, 2020 and the payment was done on November 27, 2020.

Refer note 45 - Capital for the Company's objectives, policies and processes for managing capital

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 28: OTHER EQUITY

₹ in Lakhs

Particulars	Amount
Share application money pending allotment	
As at March 31, 2020	-
As at March 31, 2021	-
As at March 31, 2022	-
Capital Reserve	
As at March 31, 2020	**7,871.88**
As at March 31, 2021	**7,871.88**
As at March 31, 2022	**7,871.88**
Securities Premium Account	
As at March 31, 2020	**1,84,927.96**
Add: Premium on shares issued under Employee Stock Option Plan	5.28
As at March 31, 2021	**1,84,933.24**
Add: Movement due to subscription in right issue of SHFL	946.59
Add: Premium on shares issued under Employee Stock Option Plan	5,180.44
Add: Share Issue Expenses (SHFL)	(71.22)
As at March 31, 2022	**1,90,989.05**
Share Option Outstanding	
As at March 31, 2020	**89.06**
Add: Expenses on Employee Stock Option Plan	1,929.15
Less: Adjustment on exercise of Employee Stock Option Plan	(4.76)
Less: Transfer to Retained Earning	(1.40)
As at March 31, 2021	**2,012.05**
Add: Movement due to subscription in right issue of SHFL	16.97
Add: Expenses on Employee Stock Option Plan	9,992.17
Less: Adjustment on exercise of Employee Stock Option Plan	(3,373.76)
As at March 31, 2022	**8,647.43**
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at March 31, 2020	**1,28,431.30**
Add: Amount transferred from retained earnings	20,490.00
As at March 31, 2021	**1,48,921.30**
Add: Amount transferred from retained earnings	21,760.00
As at March 31, 2022	**1,70,681.30**
Statutory Reserve pursuant to section 29C of the NHB Act, 1987	
As at March 31, 2020	**2,882.57**
Add: Amount transferred from Retained Earnings	968.72
As at March 31, 2021	**3,851.29**
Add: Movement due to subscription in right issue of SHFL	387.46
Add: Amount transferred from Retained Earnings	1,372.01
As at March 31, 2022	**5,610.76**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 28: OTHER EQUITY (CONTD.)

₹ in Lakhs

Particulars	Amount
Capital Redemption Reserve	
As at March 31, 2020	**2,328.98**
As at March 31, 2021	**2,328.98**
As at March 31, 2022	**2,328.98**
General Reserve	
As at March 31, 2020	**1,01,124.46**
Add: Amount transferred from retained earnings	10,250.00
As at March 31, 2021	**1,11,374.46**
Add: Amount transferred from retained earnings	10,880.00
As at March 31, 2022	**1,22,254.46**
Retained Earnings	
As at March 31, 2020	**3,09,666.82**
Add: Profit for the year	1,06,352.34
Add / (less): Appropriations and other adjustments	
Interim equity dividend FY 2020-21	(13,200.93)
Transfer from employee stock option plan	1.40
Transfer to statutory reserve pursuant to Section 45-IC of the RBI Act, 1934	(20,490.00)
Transfer to statutory reserve pursuant to section 29C of the NHB Act, 1987	(968.72)
Transfer to general reserve	(10,250.00)
As at March 31, 2021	**3,71,110.91**
Add: Movement due to subscription in right issue of SHFL	(4,284.77)
Add: Profit for the year	1,15,177.12
Add / (less): Appropriations and other adjustments	
Final equity dividend FY 2020-21	(8,580.65)
Interim equity dividend FY 2021-22	(24,598.30)
Transfer to statutory reserve pursuant to section 45-IC of the RBI Act, 1934	(21,760.00)
Transfer to statutory reserve pursuant to section 29C of the NHB Act, 1987	(1,372.01)
Transfer to general reserve	(10,880.00)
As at March 31, 2022	**4,14,812.29**
Other Comprehensive Income	
As at March 31, 2020	**(1,567.11)**
Remeasurement gain / (loss) on defined benefit plan	1,181.15
Gain / (loss) on fair valuation of quoted investments in equity shares	768.97
Income tax provision / (reversal) on above	(633.44)
As at March 31, 2021	**(250.43)**
Add: Movement due to subscription in right issue of SHFL	5.75
Remeasurement gain / (loss) on defined benefit plan	(140.80)
Gain / (loss) on fair valuation of quoted investments in equity shares	(2,171.10)
Income tax provision/ (reversal) on above	542.24
As at March 31, 2022	**(2,014.34)**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 28: OTHER EQUITY (CONTD.)

₹ in Lakhs

Particulars	Amount
Money received against share warrants	
As at March 31, 2020	**-**
As at March 31, 2021	**-**
As at March 31, 2022	**-**
Total Other Equity	
As at March 31, 2020	**7,35,755.92**
As at March 31, 2021	**8,32,153.68**
As at March 31, 2022	**9,21,181.82**

Proposed Dividend on equity shares

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
The Board proposed dividend on equity shares		
Proposed dividend on equity shares for the year ended on March 31, 2022: ₹ Nil (March 31, 2021: ₹ 13.00) per share	-	8,580.65
Total	**-**	**8,580.65**

Nature and purpose of reserves

Capital Reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

Securities Premium Account: The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium Account. This amount can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Share Option Outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Statutory Reserve: Every year the Company transfers a of sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal. Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1) the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order. Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 28: OTHER EQUITY (CONTD.)

Statutory Reserve(SHFL): The Subsidiary Company creates Special Reserve every year out of its profits in terms of Sec 36(1)(viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987. The Subsidiary Company transfers amount at least 20% of the total comprehensive income after tax to Statutory reserve.

Capital Redemption Reserve: The Group has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Group may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

General Reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve, general reserve and dividend distributed to shareholders.

Other Comprehensive Income: Other comprehensive income consists of remeasurement of net defined benefit liability / asset, FVTOCI financial liabilities and financial assets.

NOTE 29: INTEREST INCOME

₹ in Lakhs

Particulars	Year ended March 31, 2022			Year ended March 31, 2021		
	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Total	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Total
Interest on Loans	-	6,44,087.70	6,44,087.70	-	5,73,656.00	5,73,656.00
Interest income from investments	125.64	4,610.49	4,736.13	177.51	2,799.65	2,977.16
Interest on deposits with Banks						
- Margin money deposit	-	3,298.37	3,298.37	-	4,211.17	4,211.17
- Other Deposits	-	15,369.44	15,369.44	-	8,737.21	8,737.21
Interest on Others	-	622.24	622.24	-	108.89	108.89
Total	**125.64**	**6,67,988.24**	**6,68,113.88**	**177.51**	**5,89,512.92**	**5,89,690.43**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 30: FEE AND COMMISSION INCOME

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income from commission services	3,414.92	3,075.78
Income from collection services	5,916.29	256.20
Income from other services	3,932.90	1,622.51
Total	**13,264.11**	**4,954.49**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Type of Services or Service		
Fee and commission income	13,264.11	4,954.49
Total revenue from contract with customers	**13,264.11**	**4,954.49**
Geographical markets		
India	13,264.11	4,954.49
Outside India	-	-
Total revenue from contract with customers	**13,264.11**	**4,954.49**
Timing of revenue recognition		
Services transferred at a point in time	9,941.85	3,764.02
Services transferred over time	3,322.26	1,190.47
Total revenue from contracts with customers	**13,264.11**	**4,954.49**

Contract Balance

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Trade Receivables	463.61	239.62
Less: Impairment loss allowances	(24.52)	(9.63)
Net Trade Receivables	**439.09**	**229.99**
Contract Assets	-	-
Total	**439.09**	**229.99**

The Group does not have any contract assets or liability, hence disclosures related to it has not been presented.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 31: NET GAIN / (LOSS) ON FAIR VALUE CHANGES

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	874.86	907.24
- Derivatives	-	-
Total Net gain/(loss) on fair value changes	**874.86**	**907.24**
Fair Value changes		
- Realised	815.27	840.55
- Unrealised	59.59	66.69
Total Net gain/(loss) on fair value changes	**874.86**	**907.24**

NOTE 32: FINANCE COST

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial liabilities measured at amortised cost		
Interest expense on:-		
Fixed Deposits	54,438.57	42,630.98
Subordinated liabilities	-	612.93
Borrowings (other than debt securities)		
- Loans from Banks	95,718.82	86,763.23
- Loans from Financial Institution/ NBFC	24,595.18	11,381.56
- Loans from National Housing Bank	773.14	971.26
- Loans from Financial Institution/ NBFC- Securitisation	27,094.94	27,498.89
- Loans from Banks- Securitisation	2,770.96	4,295.51
- Loans from Banks - Demand Loan against Fixed Deposits	129.40	-
- Working Capital Demand Loans	17,048.02	16,299.90
- Cash Credit	746.78	2,014.12
- Commercial Paper	-	35.67
Debt securities	55,871.25	39,618.17
Interest on Tax Liability	84.14	89.02
Interest on Defined Benefit Plan	103.33	80.93
Finance Cost on Lease liability	1,938.03	1,812.86
Total	**2,81,312.56**	**2,34,105.03**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 33: IMPAIRMENT ON FINANCIAL INSTRUMENTS

₹ in Lakhs

Particulars	Year ended March 31, 2022			Year ended March 31, 2021		
	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
Loans and advances to customers (Refer Note No. 68.3)	-	3,865.79	3,865.79	-	1,360.84	1,360.84
Others						
- Undrawn Commitments	-	171.81	171.81	-	164.03	164.03
- Trade receivables	-	14.89	14.89	-	6.27	6.27
- Assignment Receivables	-	(244.57)	(244.57)	-	125.35	125.35
- Lease Receivables	-	(0.16)	(0.16)	-	(0.22)	(0.22)
- Investment Through PTC	(0.55)	5.55	5.00	(0.58)	7.26	6.68
Total	**(0.55)**	**3,813.31**	**3,812.76**	**(0.58)**	**1,663.53**	**1,662.95**

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Year ended March 31, 2022

₹ in Lakhs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	457.05	907.08	2,501.66	-	-	3,865.79
Others						
- Undrawn Commitments	170.84	0.97	-	-	-	171.81
- Trade receivables	-	-	-	-	14.89	14.89
- Assignment Receivables	(197.56)	(14.95)	(29.92)	-	(2.14)	(244.57)
- Lease Receivables	-	-	-	-	(0.16)	(0.16)
- Investment Through PTC	4.92	-	-	-	0.08	5.00
Total impairment loss	**435.25**	**893.10**	**2,471.74**	**-**	**12.67**	**3,812.76**

Year ended March 31, 2021

₹ in Lakhs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	5,377.70	5,439.99	(9,456.85)	-	-	1,360.84
Others						
- Undrawn Commitments	162.25	1.78	-	-	-	164.03
- Trade receivables	-	-	-	-	6.27	6.27
- Assignment Receivables	126.08	23.18	36.26	-	(60.17)	125.35
- Lease Receivables	-	-	-	-	(0.22)	(0.22)
- Investment Through PTC	0.21	-	-	-	6.47	6.68
Total impairment loss	**5,666.24**	**5,464.95**	**(9,420.59)**	**-**	**(47.65)**	**1,662.95**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 34: BAD DEBTS WRITTEN OFF

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loans and advances written off	85,583.75	85,068.81
Repossessed assets written off	425.65	327.58
Total	**86,009.40**	**85,396.39**

NOTE 35: EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, other allowances and bonus	87,378.98	73,863.96
Contribution to provident and other funds	5,843.36	5,041.46
Staff welfare expenses	1,850.83	1,354.14
Share based payments to employees	10,017.57	1,953.07
Gratuity expenses	645.96	777.20
Interest Expenses on Staff Loan	23.73	22.91
Total	**1,05,760.43**	**83,012.74**

NOTE 36: DEPRECIATION, AMORTISATION AND IMPAIRMENT

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of tangible assets	2,387.76	2,715.88
Amortisation of intangible assets	287.47	275.64
Amortisation on right of use assets (Refer Note No. 17)	5,947.28	5,720.94
Total	**8,622.51**	**8,712.46**

NOTE 37: OTHER EXPENSES

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power and fuel	946.03	864.53
Repairs and maintenance		
- Buildings	1,245.00	1,108.89
- Office equipments	56.19	38.84
Office expenses	1,698.32	1,693.03
Rates and taxes	1,983.72	1,554.70
Printing and stationery	2,423.84	1,765.70
Travelling and conveyance	3,646.26	2,068.38
Advertisement	1,350.58	292.88
Business promotion	5,263.51	4,678.30
Directors' sitting fees	91.56	54.23
Insurance	503.32	457.23
Communication expenses	3,236.58	2,442.74
Bank charges	1,607.84	1,598.91
Legal and Professional Fees	2,383.21	1,397.45
Loss on sale of Property, plant and equipment(net)	5.48	66.15
Public issue expenses for non-convertible debentures	-	-
CSR expenses	3,295.69	2,273.88

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 37: OTHER EXPENSES (Contd.)

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Mortgage Guarantee Fees	92.61	117.56
Miscellaneous expenses	2,034.50	1,224.60
Auditor fees*		
(a) Audit Fees	77.47	56.06
(b) Tax Audit Fees	10.74	12.04
(c) Certification Fees	1.65	12.04
(d) Out of Pocket	6.65	0.58
Total	**31,960.75**	**23,778.72**

* Includes fees paid to previous Statutory auditors for FY 2021-22

NOTE 38: INCOME TAX

38.1 The components of income tax expense are:

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	41,068.04	47,155.66
Tax adjustment for earlier years	477.38	(190.33)
Deferred tax relating to origination and reversal of temporary differences	(1,160.26)	(6,935.69)
Total tax charge	**40,385.16**	**40,029.64**

38.2 Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate is, as follows:

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	**1,56,859.83**	**1,47,801.18**
At India's statutory income tax rate for Shriram City Union Finance Limited: 25.168% (2021: 25.168%), For Shriram Housing Finance Limited: 25.168% (2021: 25.168%)	39,523.52	37,088.14
Total Tax	**39,523.52**	**37,088.14**
Corporate social responsibility and donation expenditure not allowable for tax purpose	830.85	566.00
Deduction under chapter VIA of the Income Tax Act, 1961 (80JJAA)	(387.44)	(202.80)
Income tax of earlier years	143.16	(190.33)
Tax impact of Bonus payable to employees allowable on payment basis	-	1,035.21
Others	275.07	1,733.42
Income tax expense reported in the statement of profit or loss	**40,385.16**	**40,029.64**
Effective income tax rate %	25.75%	27.08%

NOTE 38: INCOME TAX (Contd.)

38.3.1 Deferred Tax - Shriram City Union Finance Limited

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in Lakhs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Statement of profit & loss	OCI
	As at March 31, 2022	As at March 31, 2022	Year ended March 31, 2022	Year ended March 31, 2022
Property, plant and equipment and intangible assets	1,817.47	-	3.32	-
Net Right to use asset and future rent liability	419.54	-	(132.92)	-
Expenses allowable for tax purpose when paid	2,712.20	-	(1,639.68)	-
EIR impact on debt instrument measured at amortised cost	133.34	6.80	(107.55)	-
Impact of Fair valuation on Investments measured at fair value through profit and loss account	594.56	73.88	14.98	(546.42)
Impact of amortization of processing fees on loans and advances	79.29	-	213.53	-
Provision for Impairment of financial assets at amortised cost	9,224.16	-	(246.67)	-
Other temporary differences	564.96	298.40	90.25	-
Total	**15,545.52**	**379.08**	**(1,804.74)**	**(546.42)**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in Lakhs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Statement of profit & loss	OCI
	As at March 31, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Property, plant and equipment and intangible assets	1,820.79	-	(98.22)	-
Net Right to use Asset and future rent liability	286.62	-	(163.29)	-
Expenses allowable for tax purpose when paid	1,072.52	-	961.59	439.31
EIR impact on debt instrument measured at amortised Cost	44.41	25.43	(113.69)	-
Impact of fair valuation on investments measured at fair value through profit and loss Account	48.14	58.90	33.21	193.53
Impact of amortization of processing fees on loans and advances	292.82	-	144.28	-
Provision for Impairment of financial assets at amortised cost	9,090.12	-	(9,090.12)	-
Other temporary differences	244.19	-	(49.11)	-
Total	**12,899.61**	**84.33**	**(8,375.35)**	**632.84**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 38: INCOME TAX (Contd.)

38.3.2 Deferred Tax - Shriram Housing Finance Limited

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in Lakhs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Statement of profit & loss	OCI
	As at March 31, 2022	As at March 31, 2022	Year ended March 31, 2022	Year ended March 31, 2022
Property, plant and equipment and intangible assets	36.82	-	(14.02)	-
Net Right to use asset and future rent liability	26.65	-	7.28	-
Expenses allowable for tax purpose when paid	-	-	(28.61)	-
EIR impact on debt instrument measured at amortised Cost	-	9.33	(8.52)	-
Impact of amortization of processing fees on loans and advances	13.62	28.19	7.37	-
Provision for Impairment of financial assets at amortised cost	1,126.97	-	64.21	-
Special Reserve u/s 36 1(viii)	-	833.22	225.52	-
Other temporary differences	150.31	3,669.91	391.25	4.84
Total	**1,354.37**	**4,540.65**	**644.48**	**4.84**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in Lakhs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Statement of profit & loss	OCI
	As at March 31, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Property, plant and equipment and intangible assets	22.80	-	(18.33)	-
Net Right to use asset and future rent liability	33.93	-	(11.54)	-
Expenses allowable for tax purpose when paid	-	-	(40.30)	-
EIR impact on debt instrument measured at amortised Cost	-	17.85	(18.83)	-
Impact of amortization of processing fees on loans and advances	20.99	56.79	32.52	-
Provision for Impairment of Financial Assets at amortised cost	1,191.19	-	(1,191.19)	-
Special Reserve u/s 36 1(viii)	-	607.70	(133.94)	-
Other temporary differences	75.00	3,198.52	2,821.27	0.78
Total	**1,343.91**	**3,880.86**	**1,439.66**	**0.78**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 38: INCOME TAX (Contd.)

38.4 Amount recognised in respect of current tax / deferred tax directly in equity:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Amount recognised in respect of current tax / deferred tax directly in equity	-	-

38.5 Tax losses and Tax credits

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unused capital gains tax losses for which no deferred tax asset has been recognised	-	-
Unused tax credits-MAT credit entitlement	-	-

38.6 Current Tax Assets (Net)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision for tax) [provision for income tax March 31, 2022: ₹ 4,14,921.15 Lakhs March 31, 2021: ₹ 3,73,376.02.Lakhs]	3,236.34	4,921.74
Total	**3,236.34**	**4,921.74**

NOTE 39: EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the group by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of group (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares and issue of Employee Stock Options.

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net Profit after tax as per Statement of profit and loss (₹ in Lakhs) (A)	1,15,177.12	1,06,352.34
Weighted average number of equity shares for calculating basic earnings per share (₹ in Lakhs) (B)	661.68	660.04
Effect of dilution:		
Stock options granted under ESOP (Nos. in Lakhs)	4.00	1.54
Weighted average number of equity shares for calculating diluted earnings per share (₹ in Lakhs) (C)	665.68	661.58
Earnings per equity share (face value ₹ 10/- per equity share)		
Basic earnings per share (₹) (A/B)	174.07	161.13
Diluted earnings per share (₹) (A/C)	173.02	160.76

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 40: INVESTMENT IN SUBSIDIARY

Name of the subsidiary	Country of Incorporation	Principal place of business	Principal activities	For the year ending	No. of Equity Shares Held (FV of ₹ 10 /- each)	% of equity interest
Shriram Housing Finance Limited	India	Mumbai	Housing Finance	March 31, 2022	27,65,51,112	85.02%
				March 31, 2021	16,54,40,000	77.25%

The Company has recognised its investment in subsidiary at cost.

STATEMENT OF NET ASSETS, PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS AND NON CONTROLLING INTEREST AS ON MARCH 31, 2022

₹ in Lakhs

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profits / (loss)		Share in Other Comprehensive Income/ (Loss)		Share in total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount
Parent - Shriram City Union Finance Limited	87.76%	8,29,425.04	93.10%	1,08,440.54	100.82%	(1,782.12)	92.98%	1,06,658.42
Indian Subsidiary - Shriram Housing Finance Limited	10.41%	98,419.58	5.78%	6,736.58	(0.70%)	12.46	5.88%	6,749.04
Non - Controlling Interest	1.83%	17,311.00	1.11%	1,297.55	(0.11%)	1.95	1.13%	1,299.50
Total	**100%**	**9,45,155.62**	**100%**	**1,16,474.67**	**100%**	**(1,767.71)**	**100%**	**1,14,706.96**

Statement of Net Assets, Profit and Loss and Other Comprehensive Income attributable to owners and Non Controlling Interest as on March 31, 2021

₹ in Lakhs

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profits / (loss)		Share in Other Comprehensive Income / (Loss)		Share in total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount
Parent - Shriram City Union Finance Limited	93.24%	7,94,206.59	94.21%	1,01,533.25	99.82%	1,314.88	94.28%	1,02,848.13
Indian Subsidiary - Shriram Housing Finance Limited	5.23%	44,547.59	4.47%	4,819.09	0.14%	1.80	4.42%	4,820.89
Non - Controlling Interest	1.53%	13,073.10	1.32%	1,419.20	0.04%	0.53	1.30%	1,419.73
Total	**100%**	**8,51,827.28**	**100%**	**1,07,771.54**	**100%**	**1,317.21**	**100%**	**1,09,088.75**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 41: MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ in Lakhs

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	5,24,407.87	2,500.86	5,26,908.73	3,91,641.65	-	3,91,641.65
Bank Balance other than above	1,41,917.27	15,407.55	1,57,324.82	1,25,875.71	18,433.45	1,44,309.16
Receivables						
- Trade Receivables	439.09	-	439.09	229.99	-	229.99
- Other Receivables	-	-	-	-	-	-
Loans	18,91,774.15	16,62,825.48	35,54,599.63	16,21,240.33	14,58,539.55	30,79,779.88
Investments	41,462.32	89,485.85	1,30,948.17	72,090.79	20,323.52	92,414.31
Other financial assets	3,928.99	15,321.26	19,250.25	2,740.02	13,486.64	16,226.66
Non-financial Assets						
Current tax asset (net)	-	3,236.34	3,236.34	-	4,921.74	4,921.74
Deferred tax assets	-	15,166.44	15,166.44	-	12,815.28	12,815.28
Property, plant and equipment	-	6,954.86	6,954.86	-	6,841.27	6,841.27
Other intangible assets	-	498.93	498.93	-	643.36	643.36
Right of use assets	30.30	17,651.66	17,681.96	-	16,538.88	16,538.88
Other non-financial assets	5,759.57	17,007.48	22,767.05	9,418.05	10,852.49	20,270.54
Total assets	**26,09,719.56**	**18,46,056.71**	**44,55,776.27**	**22,23,236.54**	**15,63,396.18**	**37,86,632.72**
Liabilities						
Financial Liabilities						
Derivative financial instruments	5.49	-	5.49	-	-	-
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	6.39	-	6.39	18.90	-	18.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,277.09	26.08	5,303.17	7,856.73	-	7,856.73
Debt Securities	3,55,452.78	3,49,390.93	7,04,843.71	2,06,674.95	2,77,577.87	4,84,252.82
Borrowings (other than debt securities)	10,31,400.25	10,34,968.58	20,66,368.83	10,34,639.33	8,02,833.63	18,37,472.96
Deposits	2,12,669.67	4,70,168.97	6,82,838.64	1,62,962.13	3,89,926.65	5,52,888.78
Other financial liabilities	19,251.43	19,306.36	38,557.79	26,057.87	18,319.11	44,376.98
Non-financial Liabilities						
Provisions	2,941.55	50.12	2,991.67	2,758.92	98.12	2,857.04
Deferred tax liabilities (net)	213.11	2,973.17	3,186.28	-	2,536.95	2,536.95
Other non-financial liabilities	6,518.68	-	6,518.68	2,544.28	-	2,544.28
Total Liabilities	**16,33,736.44**	**18,76,884.21**	**35,10,620.65**	**14,43,513.11**	**14,91,292.33**	**29,34,805.44**
Net	**9,75,983.12**	**(30,827.50)**	**9,45,155.62**	**7,79,723.43**	**72,103.85**	**8,51,827.28**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 42: CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities during FY 2021-22

₹ in Lakhs

Particulars	As at March 31, 2021	Cash Flows	Exchange difference	Others *	As at March 31, 2022
At Amortised Cost					
Debt Securities					
- NCD Public Issue	86,924.21	(48,392.67)	-	370.87	38,902.41
- NCD Institutional	3,97,328.61	2,72,301.97	-	(3,689.27)	6,65,941.30
Borrowings other than debt securities					
- Derivative financial instruments	-	-	-	5.49	5.49
- Term Loan from Banks	9,85,835.07	1,53,187.06	115.14	(1,232.38)	11,37,904.89
- Term Loan from Institution	2,78,436.28	70,308.66	-	(171.81)	3,48,573.13
- Term Loan from National Housing Bank	8,981.52	46,481.75		-	55,463.27
- Term Loan from Bank- Securitisation	46,018.97	(21,557.10)	-	176.50	24,638.38
- Term Loan from financial Institution/ NBFC- Securitisation	2,99,853.14	(1,10,566.05)	-	1,865.59	1,91,152.68
- Demand Loan against fixed deposits	-	36,000.00	-	-	36,000.00
- Cash Credit from Banks	36,833.51	(1,280.59)	-	1.13	35,554.05
- Working Capital Demand Loans	1,81,514.47	55,566.42	-	1.54	2,37,082.43
Deposits					
- Public Deposits	5,52,881.69	1,30,392.75	-	(824.42)	6,82,450.02
- Recurring deposits	7.09	381.53	-	-	388.62
Total	**28,74,614.56**	**5,82,823.73**	**115.14**	**(3,496.76)**	**34,54,056.67**

* Represents adjustments on account of processing fees and other transaction cost.

Changes in liabilities arising from financing activities during FY 2020-21

₹ in Lakhs

Particulars	As at March 31, 2020	Cash Flows	Exchange difference	Others *	As at March 31, 2021
At Amortised Cost					
Debt Securities					
- NCD Public Issue	84,955.43	918.31	-	1,050.47	86,924.21
- NCD Institutional	4,00,369.51	203.95	-	(3,244.84)	3,97,328.61
Subordinated Liabilities					
- Sub Debt Retail	23,923.91	(23,961.29)	-	37.38	-
Borrowings other than debt securities					
- Term Loan from Banks	9,11,703.81	78,594.87	-	(4,463.61)	9,85,835.07
- Term Loan from Institution	64,040.47	2,14,783.83	-	(388.02)	2,78,436.28
- Term Loan from National Housing Bank	13,480.37	(4,498.85)	-	-	8,981.52
- Commercial paper	11,164.33	(11,200.00)	-	35.67	-
- Term Loan from Bank- Securitisation	62,573.00	(16,814.42)	-	260.39	46,018.97
- Term Loan from financial Institution/ NBFC- Securitisation	3,19,206.50	(19,250.56)	-	(102.80)	2,99,853.14
- Cash Credit from Banks	58,873.42	(22,024.06)	-	(15.85)	36,833.51
- Working Capital Demand Loans	1,57,988.63	23,526.36	-	(0.52)	1,81,514.47
Deposits					
- Public Deposits	4,01,206.80	1,52,815.49	-	(1,140.60)	5,52,881.69
- Recurring deposits	-	7.09	-	-	7.09
Total	**25,09,486.18**	**3,73,100.72**	**-**	**(7,972.33)**	**28,74,614.56**

* Represents adjustments on account of processing fees and other transaction cost.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 43: CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent Liabilities

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a. In respect of Income tax demands where the Company has filed appeal before various authorities	184.11	116.45
b. VAT demand where the Group has filed appeal before various Appellate	259.95	259.95
c. Service tax demand	8,019.29	8,019.29
d. Bank Guarantees	135.00	135.00
Total	**8,598.35**	**8,530.69**

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums / authorities. It is not practicable for the Group to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Group does not expect any reimbursement in respect of the above contingent liabilities. The Group is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

(B) Commitments not provided for

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	652.26	326.97
b. Commitments related to loans sanctioned but undrawn	52,804.95	23,786.60

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 44: RELATED PARTY DISCLOSURE

Relationship		Name of the party
(i) Enterprises having significant influence over the group	:	Shriram Capital Limited (SCL)
		Shriram Ownership Trust (SOT)
		Dynasty Acquisition FPI Limited (DAFL)
		Valiant Mauritius Partners FDI Limited (VMPL)
(ii) Subsidiary	:	Shriram Housing Finance Limited (SHFL)
(iii) Associates *	:	Insight Commodities and Futures Private Limited (ICFPL)
		Shriram Asset Management Company Limited (SAMCL)
		Shriram Credit Company Limited (SCCL)
		Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)
		Shriram Financial Ventures (Chennai) Private Limited (SFVPL)
		Shriram Fortune Solutions Limited (SFSL)
		Shriram General Insurance Company Limited (SGICL)
		Shriram Insight Share Brokers Limited (SISBL)
		Shriram Life Insurance Company Limited (SLICL)
		Shriram Overseas Investments Private Limited (SOIPL)
		Shriram Wealth Advisors Limited (SWAL)
		Shriram Value Services Limited (SVSL)
		Bharath Investments Pte. Limited, Singapore (BIPL)
		SGI Philippines General Insurance Co. Inc. (SGIPGICI)
		Novac Technology Solutions Private Limited (NTSPL)
		Novac Digital Services Private Limited (formerly Techfactory Services Private Limited) (NDSPL)
		Shriram LI Holdings Private Limited (Formerly Snottor Technology Services Private Limited) (SLHPL)
		SEA Funds Management India Private Limited (SFMIPL)
		Way2wealth Insurance Brokers Private Limited (WIBPL)
		Way2wealth Securities Private Limited (WSPL)
		Way2wealth Brokers Private Limited (WBPL)
		Way2wealth Commodities Private Limited (WCPL)
		Shriram GI Holdings Private Limited (formerly Oner Infotech Services Private Limited) (SGHPL)
		Shriram Investment Holdings Limited (SIHL)
(iv) Key Management Personnel	:	Sri Y.S. Chakravarti, Managing Director
		Sri Debendranath Sarangi, Chairperson
		Sri R. Duruvasan, Director
		Sri Diwakar Bhagwati Gandhi, Director
		Smt Maya S Sinha, Director
		Sri Shashank Singh, Director
		Sri Venkataraman Murali, Director
		Sri Ignatius Michael Viljoen, Director
		Sri Umesh G Revankar, Director (w.e.f. December 14, 2021)
		Sri Pranab Prakash Pattanayak, Director (Resigned w.e.f. January 05, 2022)
		Late Sri C R Muralidharan, Director (Ceased w.e.f. October 8, 2020)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 44: RELATED PARTY DISCLOSURE (Contd.)

Relationship		Name of the party
		Sri R Chandrasekar, Chief Financial Officer
		Sri C R Dash, Company Secretary
		Smt Lakshminaryanan Priyadarshini , Director (SHFL)
		Sri Subramanian Jambunathan, MD & CEO (SHFL)
		Sri Gauri Shankar Agarwal, Chief Financial Officer (SHFL)
		Smt Puja R Shah - Company Secretary (SHFL) (w.e.f. February 11, 2022)
		Smt Bhavita Ashiyani - Company Secretary (SHFL) (Resigned w.e.f. January 31, 2022)
(v)	Relatives of Key Management Personnel :	Relatives of Sri Y.S. Chakravarti, Managing Director & CEO
		Late Sri Satyanarayana Y (Father)
		Smt Rajamannar (Mother)
		Smt Sujata Yalamati (Spouse)
		Sri Sree Bhargav (Son)
		Ms. Nayana Sri (Daughter)
		Smt Aruna S (Sister)
		Smt Rama Devi D (Sister)
		Sri S R Krishna (Sister's husband)
		Sri Venkateswara Rao D (Sister's husband)
		Sri M S R Choowdary (Brother of spouse)
		Relatives of Smt Subramanian Jambunathan, Managing Director & CEO (SHFL)
		Late Smt Krishnawamy Jambunathan (Father)
		Smt Padmavathi Jambunathan (Mother)
		Smt Dharini Mani Subramanian (Spouse)
		Ms. Anusha Subramanian (Daughter)
		Sri Jambunathan Krishnan (Brother)

*- The Group neither holds any shares in the above entities nor these entities hold any shares in the Group except Shriram Value Services Limited (SVSL), Shriram Financial Ventures (Chennai) Private Limited (SFVPL). However these entities are "subsidiaries/ associates" of Shriram Capital Limited and hence these entities are treated as "associates" as per paragraph 9(b)(ii) of IND- AS 24 and transactions made with these entities are disclosed.

There are no transactions with relatives of Key Management Personnel for the year ended March 31, 2022.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 44: RELATED PARTY DISCLOSURE (Contd.)

₹ in Lakhs

Particulars	Enterprises having significant influence over the Group		Associates		Key Management Personnel		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Payments/Expenses								
Royalty to SVSL	-	-	7,673.58	6,716.05	-	-	7,673.58	6,716.05
Commission & Other expenses- SFPSPL	-	-	3,769.34	3,037.05	-	-	3,769.34	3,037.05
Commission & Other expenses- SFSL	-	-	3,582.38	3,610.18	-	-	3,582.38	3,610.18
Commission & Other expenses- SISBL	-	-	73.38	136.91	-	-	73.38	136.91
Commission & Other expenses- SWAL	-	-	13.45	3.59	-	-	13.45	3.59
Commission & Other expenses- WSPL	-	-	2.14	-	-	-	2.14	-
Interest Expenses- SFPSPL	-	-	46.31	95.24	-	-	46.31	95.24
Interest Expenses- SLICL	-	-	604.92	603.84	-	-	604.92	603.84
Interest Expenses - SAMCL	-	-	88.30	63.01	-	-	88.30	63.01
Interest Expenses - SFSL	-	-	12.57	-	-	-	12.57	-
Interest Expenses- SGICL	-	-	168.66	-	-	-	168.66	-
Insurance - SGICL	-	-	500.66	435.22	-	-	500.66	435.22
Insurance and other expenses- SLICL	-	-	719.67	510.29	-	-	719.67	510.29
Professional Charges to NTSPL	-	-	6,348.42	5,835.20	-	-	6,348.42	5,835.20
Reimbursement of Rent and other expenses-SCL	-	1.61	-	-	-	-	-	1.61
Fees to SCL	2,031.07	1,934.36	-	-	-	-	2,031.07	1,934.36
Payments to Key Managerial Personnel (MD, CFO & CS)								
Short–term employee benefits	-	-	-	-	490.64	426.03	490.64	426.03
Post–employment pension (defined contribution)	-	-	-	-	48.66	60.70	48.66	60.70
Other long term employee benefits	-	-	-	-	17.31	6.91	17.31	6.91
Share Based Payments	-	-	-	-	88.09	60.36	88.09	60.36
Loan disbursement - Sri Gauri Shankar Agarwal	-	-	-	-	-	130.00	-	130.00
Loan EMI received - Sri Gauri Shankar Agarwal	-	-	-	-	15.26	8.45	15.26	8.45
Advances - Sri Gauri Shankar Agarwal	-	-	-	-	20.00	-	20.00	-
Directors Sitting Fees	-	-	-	-	91.57	54.23	91.57	54.23
Equity dividend to SCL	11,185.80	4,474.32	-	-	-	-	11,185.80	4,474.32
Equity dividend to DAFL	6,710.94	2,684.38	-	-	-	-	6,710.94	2,684.38

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 44: RELATED PARTY DISCLOSURE (Contd.)

₹ in Lakhs

Particulars	Enterprises having significant influence over the Group		Associates		Key Management Personnel		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Equity dividend to SFVPL	-	-	112.33	97.68	-	-	112.33	97.68
Equity dividend to KMP	-	-	-	-	5.06	1.63	5.06	1.63
Equity dividend to SOT	131.86	-	-	-	-	-	131.86	-
Receipts/Income								
Commission- SGICL	-	-	525.93	596.18	-	-	525.93	596.18
Commission - SLICL	-	-	701.43	1,570.40	-	-	701.43	1,570.40
Rent Income - SFSL	-	-	16.85	15.41	-	-	16.85	15.41
Rent Income - SISBL	-	-	1.09	2.63	-	-	1.09	2.63
Electricity, Telephone and other charges Received								
Expenses reimbursement -SFSL	-	-	7.26	8.06	-	-	7.26	8.06
Expenses reimbursement -SISBL	-	-	1.20	1.89	-	-	1.20	1.89
Expenses reimbursement -SLICL	-	-	5.57	3.49	-	-	5.57	3.49
Balance outstanding as at								
Share Capital held by SCL	2,237.16	2,237.16	-	-	-	-	2,237.16	2,237.16
Share Capital held by DAFL	1,342.19	1,342.19	-	-	-	-	1,342.19	1,342.19
Share Capital held by SFVPL	-	-	-	48.84	-	-	-	48.84
Share Capital held by KMP	-	-	-	-	1.18	0.82	1.18	0.82
Share Capital held by SVSL	-	-	20.11	-	-	-	20.11	-
Share Capital held by SOT	48.84	-	-	-	-	-	48.84	-
Share Capital held by VMPL	4,872.00	4,872.00	-	-	-	-	4,872.00	4,872.00
Interim Dividend Payable to SCL	-	2,237.16	-	-	-	-	-	2,237.16
Interim Dividend Payable to DAFL	-	1,342.19	-	-	-	-	-	1,342.19
Interim Dividend Payable to SFVPL	-	-	-	48.84	-	-	-	48.84
Interim Dividend Payable to KMP	-	-	-	-	-	0.82	-	0.82
Royalty Payable to SVSL	-	-	1,885.82	1,751.03	-	-	1,885.82	1,751.03
Expenses Payable to SFPSPL	-	-	215.90	269.39	-	-	215.90	269.39
Expenses Payable to SFSL	-	-	288.29	306.60	-	-	288.29	306.60
Expenses Payable to SISBL	-	-	2.89	8.51	-	-	2.89	8.51
Expenses Payable to SVSL	-	-	21.83	21.83	-	-	21.83	21.83
Expenses Payable to NTSPL	-	-	240.32	200.51	-	-	240.32	200.51

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 44: RELATED PARTY DISCLOSURE (Contd.)

₹ in Lakhs

Particulars	Enterprises having significant influence over the Group		Associates		Key Management Personnel		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Expenses Payable to SLICL	-	-	4.36	4.36	-	-	4.36	4.36
Expenses Payable to SWAL	-	-	0.52	1.59	-	-	0.52	1.59
Expenses Payable to WSPL	-	-	0.03	-	-	-	0.03	-
Deposits held by SAMCL	-	-	1,049.08	1,052.63	-	-	1,049.08	1,052.63
Deposits held by SFSL	-	-	211.19	-	-	-	211.19	-
NCD held by SFPSPL	-	-	-	1,044.40	-	-	-	1,044.40
NCD held by SLICL	-	-	6,630.03	6,537.11	-	-	6,630.03	6,537.11
NCDs held by SGICL	-	-	17,599.41	-	-	-	17,599.41	-
Receivable from SFSL	-	-	-	0.16	-	-	-	0.16
Receivable from SGICL	-	-	85.66	33.26	-	-	85.66	33.26
Receivable from SLICL	-	-	255.61	102.25	-	-	255.61	102.25
Receivable from NTSPL	-	-	0.40	0.40	-	-	0.40	0.40
Receivable from SFPSPL	-	-	32.26	31.78	-	-	32.26	31.78
Receivable from SVSL	-	-	23.91	23.91	-	-	23.91	23.91
Advances receivable from Sri Gauri Shankar Agarwal	-	-	-	-	20.00	-	20.00	-
Loan Receivable from Sri Gauri Shankar Agarwal	-	-	-	-	118.55	126.45	118.55	126.45

Income are presented excluding GST.

Expenses are presented Including GST charged off.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 45: CAPITAL

The Group maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Group.

As an NBFC, the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the group ensures to maintain a healthy CRAR at all the times.

CAPITAL MANAGEMENT

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board. The Group has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" .

A. Shriram City Union Finance Limited

₹ in Lakhs

Regulatory capital	As at March 31, 2022	As at March 31, 2021
Tier 1 Capital	8,27,252.84	7,30,641.50
Tier 2 Capital	-	-
Total capital funds	**8,27,252.84**	**7,30,641.50**
Total Risk weighted assets	**30,88,503.60**	**25,51,149.04**
Tier 1 capital ratio	26.78%	28.64%
Other Tier 2 capital ratio	0.00%	0.00%
Total capital ratio	**26.78%**	**28.64%**

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI).

B. Shriram Housing Finance Limited

₹ in Lakhs

Regulatory capital	As at March 31, 2022	As at March 31, 2021
Tier 1 Capital	99,782.12	56,298.34
Tier 2 Capital	3,395.08	2,434.85
Total capital funds	**1,03,177.20**	**58,733.19**
Total Risk weighted assets	**3,34,085.78**	**2,55,003.58**
Tier 1 capital ratio	29.87%	22.08%
Other Tier 2 capital ratio	1.02%	0.95%
Total capital ratio	**30.89%**	**23.03%**

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit . Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the National Housing Bank. The other component of regulatory capital is Tier 2 Capital, which includes provision for standard assets.

The Company is meeting the capital adequacy requirements of National Housing Bank.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 46: SEGMENT INFORMATION

The Group is primarily engaged in the business of financing. All the activities of the group revolve around the main business. Further, the Group does not have any separate geographic segments other than India

During year ending March 31, 2022, for management purposes, the group has been organised into two operating segments based on products and services, as follows

The Chief Operating Decision Maker (CODM) monitors the operating results of its business units separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements. However, income taxes are managed on a entity as whole basis and are not allocated to operating segments.

Note: Segment Reporting

₹ in Lakhs

Particulars	Year ended March 31,2022			
	Retail Finance	Housing Finance	Unallocable	Total
Revenue from operations				
Interest income	6,21,422.90	46,431.19	259.79	6,68,113.88
Dividend income	184.66	0.41	-	185.07
Fees and commission income	12,706.42	560.92	(3.23)	13,264.11
Net gain on fair value changes	59.50	815.36	-	874.86
Net gain on derecognition of financial instruments under amortised cost category	210.38	5,508.35	(461.99)	5,256.74
Bad debts recovery	18,091.74	203.19	-	18,294.93
Other operating income	-	1,307.79	-	1,307.79
Segment revenue from operations	**6,52,675.60**	**54,827.21**	**(205.43)**	**7,07,297.38**
Other income	363.63	90.32	(2.23)	451.72
Total income	**6,53,039.23**	**54,917.53**	**(207.66)**	**7,07,749.10**
Expenses				
Finance cost	2,53,252.52	28,060.04	-	2,81,312.56
Fees and commission expenses	10,373.41	1,754.12	-	12,127.53
Impairment on financial instruments	3,512.13	323.85	(23.22)	3,812.76
Bad debts written off	85,253.45	755.95	-	86,009.40
Employee benefit expenses	97,236.64	8,523.79	-	1,05,760.43
Depreciation, amortisation and impairment	7,835.49	787.02	-	8,622.51
Royalty	7,076.06	597.52	-	7,673.58
Professional charges	12,664.85	944.90	-	13,609.75
Other expenses	29,710.31	2,255.96	(5.52)	31,960.75
Segment expenses	**5,06,914.86**	**44,003.15**	**(28.74)**	**5,50,889.27**
Segment Profit / (loss) before taxation	**1,46,124.37**	**10,914.38**	**(178.92)**	**1,56,859.83**
Tax expense	37,504.87	2,880.29	-	40,385.16
Profit for the year	**1,08,619.50**	**8,034.09**	**(178.92)**	**1,16,474.67**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 46: SEGMENT INFORMATION (Contd.)

₹ in Lakhs

Particulars	Year ended March 31,2021			
	Retail Finance	Housing Finance	Unallocable	Total
Revenue from operations				
Interest income	5,57,155.86	32,334.68	199.89	5,89,690.43
Dividend income	190.28	-	-	190.28
Fees and commission income	4,721.75	349.90	(117.16)	4,954.49
Net gain on fair value changes	131.95	775.29	-	907.24
Net gain on derecognition of financial instruments under amortised cost category	-	7,390.05	32.41	7,422.46
Bad debts recovery	10,869.81	242.57	-	11,112.38
Other operating income	-	820.41	-	820.41
Segment revenue from operations	**5,73,069.65**	**41,912.90**	**115.14**	**6,15,097.69**
Other income	773.82	321.16	(4.61)	1,090.37
Total income	**5,73,843.47**	**42,234.06**	**110.53**	**6,16,188.06**
Expenses				
Finance cost	2,13,388.43	20,833.73	(117.13)	2,34,105.03
Net loss on derecognition of financial instruments under amortised cost category	167.03	-	(167.03)	-
Fees and commission expenses	10,384.64	867.81	-	11,252.45
Impairment on financial instruments	285.73	1,416.75	(39.53)	1,662.95
Bad debts written off	84,799.87	596.52	-	85,396.39
Employee benefit expenses	76,366.07	6,646.67	-	83,012.74
Depreciation, amortisation and impairment	7,984.14	728.32	-	8,712.46
Royalty	6,254.89	461.16	-	6,716.05
Professional charges	13,010.25	739.84	-	13,750.09
Other expenses	22,263.67	1,519.65	(4.60)	23,778.72
Segment expenses	**4,34,904.72**	**33,810.45**	**(328.29)**	**4,68,386.88**
Segment Profit / (loss) before taxation	**1,38,938.75**	**8,423.61**	**438.82**	**1,47,801.18**
Tax expense	37,844.33	2,185.30	-	40,029.64
Profit for the year	**1,01,094.42**	**6,238.30**	**438.82**	**1,07,771.54**

₹ in Lakhs

Particulars	Retail Finance	Housing Finance	Unallocable	Total
As at March 31, 2022				
Segment Assets	40,06,764.43	5,16,834.36	-	45,23,598.79
Unallocable assets	-	-	(67,822.52)	(67,822.52)
Total Assets	**40,06,764.43**	**5,16,834.36**	**(67,822.52)**	**44,55,776.27**
Segment Liabilities	31,09,516.79	4,01,075.05	-	35,10,591.84
Unallocable liabilities	-	-	28.81	28.81
Total Liabilities	**31,09,516.79**	**4,01,075.05**	**28.81**	**35,10,620.65**
As at March 31, 2021				
Segment Assets	34,21,003.51	3,83,275.75	-	38,04,279.26
Unallocable assets	-	-	(17,646.54)	(17,646.54)
Total Assets	**34,21,003.51**	**3,83,275.75**	**(17,646.54)**	**37,86,632.72**
Segment Liabilities	26,09,150.92	3,25,628.70	-	29,34,779.62
Unallocable liabilities	-	-	25.82	25.82
Total Liabilities	**26,09,150.92**	**3,25,628.70**	**25.82**	**29,34,805.44**

In computing the segment information, certain estimates and assumptions have been made by the management, which have been relied upon.

There are no revenue from transactions with a single external customer or counter party which amounted to 10% or more of the Group's total revenue in the Current year and Previous year.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 47: FAIR VALUE MEASUREMENT

47.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 6.1(xii)

47.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2022

₹ in Lakhs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	493.53	-	493.53
Equity instruments	7,515.00	-	-	7,515.00
Security Receipts	-	819.72	-	819.72
Pass through Certificate	-	883.73	-	883.73
Total financial assets held for trading	**7,515.00**	**2,196.98**	**-**	**9,711.98**
Total assets measured at fair value on a recurring basis	**7,515.00**	**2,196.98**	**-**	**9,711.98**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Forward Contracts	5.49	-	-	5.49
Total derivative financial instruments	**5.49**	**-**	**-**	**5.49**
Total financial liabilities measured at fair value on a recurring basis	**5.49**	**-**	**-**	**5.49**

As at March 31, 2021

₹ in Lakhs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	434.03	-	434.03
Equity instruments	9,686.10	-	-	9,686.10
Security Receipts	-	980.24	-	980.24
Pass through Certificate	-	1,403.05	-	1,403.05
Total financial assets held for trading	**9,686.10**	**2,817.32**	**-**	**12,503.42**
Total assets measured at fair value on a recurring basis	**9,686.10**	**2,817.32**	**-**	**12,503.42**

47.3 Valuation techniques

Equity Instruments

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the net worth of the investee company.

Mutual Funds

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 47: FAIR VALUE MEASUREMENT (Contd.)

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Group classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

47.4 Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

47.5 Movements in Level 3 financial instruments measured at fair value

There are no level 3 Financial instruments measured at fair value for the year ended March 31, 2022 and March 31, 2021.

47.6 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

There are no level 3 Financial instruments measured at fair value for the year ended March 31, 2022 and March 31, 2021.

47.7 Sensitivity of fair value measurements to changes in unobservable market data

There are no level 3 Financial instruments measured at fair value for the year ended March 31, 2022 and March 31, 2021.

47.8 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non-financial liabilities.

₹ in Lakhs

As at March 31, 2022	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	5,26,908.73	5,26,908.73	-	-	5,26,908.73
Bank balance other than cash and cash equivalents	1,57,324.82	1,57,324.82	-	-	1,57,324.82
Trade Receivables	439.09	-	-	439.09	439.09
Loans	35,54,599.63	-	-	34,47,667.60	34,47,667.60
Investments	1,21,235.50	1,09,016.89	12,350.66	117.18	1,21,484.73
Other financial assets	19,250.25	-	-	19,250.25	19,250.25
Total financial assets	**43,79,758.02**	**7,93,250.43**	**12,350.66**	**34,67,474.12**	**42,73,075.21**
Financial liabilities:					
Other Payables	5,309.56	-	-	5,309.56	5,309.56
Debt securities	7,04,843.71	-	7,60,130.13	-	7,60,130.13
Borrowings (other than debt securities)	20,66,368.83	-	20,86,280.50	-	20,86,280.50
Deposits	6,82,838.64	-	-	7,27,403.49	7,27,403.49
Other financial liabilities	38,557.79	-	-	38,557.79	38,557.79
Total financial liabilities	**34,97,918.53**	**-**	**28,46,410.63**	**7,71,270.84**	**36,17,681.47**
Off-balance sheet items					
Other commitments	52,804.95	-	-	52,804.95	52,804.95
Total off-balance sheet items	**52,804.95**	**-**	**-**	**52,804.95**	**52,804.95**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 47: FAIR VALUE MEASUREMENT (Contd.)

₹ in Lakhs

As at March 31, 2021	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	3,91,641.65	3,91,641.65	-	-	3,91,641.65
Bank balance other than cash and cash equivalents	1,44,309.16	1,44,309.16	-	-	1,44,309.16
Trade Receivables	229.99	-	-	229.99	229.99
Loans	30,79,779.88	-	-	30,13,702.26	30,13,702.26
Investments	79,909.66	75,386.89	5,027.50	154.53	80,568.92
Other financial assets	16,226.66	-	-	16,226.66	16,226.66
Total financial assets	**37,12,097.00**	**6,11,337.70**	**5,027.50**	**30,30,313.44**	**36,46,678.64**
Financial liabilities:					
Other Payables	7,875.63	-	-	7,875.63	7,875.63
Debt securities	4,84,252.82	-	5,07,255.12	-	5,07,255.12
Borrowings (other than debt securities)	18,37,472.96	-	18,71,638.20	-	18,71,638.20
Deposits	5,52,888.78	-	-	5,61,390.07	5,61,390.07
Other financial liabilities	44,376.98	-	-	44,376.98	44,376.98
Total financial liabilities	**29,26,867.17**	**-**	**23,78,893.32**	**6,13,642.68**	**29,92,536.00**
Off-balance sheet items					
Other commitments	23,786.60	-	-	23,786.60	23,786.60
Total off-balance sheet items	**23,786.60**	**-**	**-**	**23,786.60**	**23,786.60**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

47.9 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Group uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.

NOTE 47: FAIR VALUE MEASUREMENT (Contd.)

Financial assets at amortised cost

The fair values of financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data.

Deposits

The fair value of public deposits and deposit from corporates is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for deposits of similar tenure and scheme (cumulative/non-cumulative). Inter-corporate deposits are estimated at their carrying amounts due to the short-term maturities of these deposits.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on the carrying amounts due to the short-term maturities of these positions.

Fair Value Measurement - Non-Financial assets

Repossessed House Property are non-financial assets which are measured at fair value through profit and loss. At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a re-valuation.

The non-recurring fair value measurement for the assets Repossessed House Property has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used.

₹ in Lakhs

Particulars	Fair Value Hierarchy - Level 3	
	As at March 31, 2022	As at March 31, 2021
Non-Financial assets at fair value through profit or loss:		
Repossessed House Property	8,073.19	7,116.63
Total	**8,073.19**	**7,116.63**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 48: RISK MANAGEMENT

Whilst risk is inherent in the Group's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

48.1 Introduction and Risk Profile

48.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Audit & Risk Management Committee which is responsible for monitoring the overall risk process within the Group.

The Audit & Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Audit & Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee.

The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Group. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

The Group's policy is that risk management processes throughout the Group are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Audit & Risk Management Committee.

48.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Group can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

48.1.3 Risk measurement and reporting systems

The Group's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Audit & Risk Management Committee and the head of each department. The Audit & Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Group.

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Group is exposed to that they decide to take on. The Group's continuous training and development emphasises that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits.

NOTE 48: RISK MANAGEMENT (Contd.)

Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

48.1.4 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual / Group.

48.2 Credit Risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Group. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Group's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

48.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Group is also exposed to a settlement risk, being the risk that the Group honours its obligation, but the counterparty fails to deliver the counter value.

48.2.2 Impairment assessment

The references below show where the Group impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Group definition and assessment of default (Note 48.2.2.1).

- How the Group defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 48.2.2.2 to 48.2.2.4)
- When the Group considers there has been a significant increase in credit risk of an exposure (Note 48.2.2.5)
- The Group policy of segmenting financial assets where ECL is assessed on a collective basis (Note 48.2.2.5)
- The details of the ECL calculations for stage 1, stage 2 and stage 3 assets (Note 6.1.x)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 48: RISK MANAGEMENT (Contd.)

48.2.2.1 Definition of default

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Group.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Group.
- The debtor (or any legal entity within the debtor's Group) filing for bankruptcy application / protection.
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

48.2.2.2 PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Group. While arriving at the PD, the Group also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Group calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

48.2.2.3 Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

48.2.2.4 Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realization of any security.

48.2.2.5 Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Group assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Group may also consider that events explained in Note 48.2.2.1 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Group of similar assets (as set out in Note 48.2.2.6), the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 48: RISK MANAGEMENT (Contd.)

48.2.2.6 Forward looking information

The Group has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note 68.3 for impact of COVID-19 on estimate of PD, LGD and SICR.

48.2.2.7 Grouping financial assets measured on a collective basis

As explained in Note 6.1.x dependant on the factors below, the Group calculates ECLs only on a collective basis

The Group segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Gold Loans
2. Auto Loans
3. MSME Loans
4. Two wheelers Loans
5. Personal Loans
6. Home Loan
7. Pre-Owned Two wheelers Loans
8. Loan against Property

48.2.3 Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2022 was ₹ 1,925.45 Lakhs (March 31, 2021 ₹ 3,172.52 Lakhs)

Credit risk exposure analysis

₹ in Lakhs

Particulars	As at March 31, 2022				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	31,57,750.34	3,93,314.98	2,15,596.15	-	37,66,661.47
Repossessed	-	-	1,152.73	-	1,152.73
Total	**31,57,750.34**	**3,93,314.98**	**2,16,748.88**	**-**	**37,67,814.20**

₹ in Lakhs

Particulars	As at March 31, 2021				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	28,49,985.18	2,45,122.54	1,93,095.20	-	32,88,202.92
Repossessed	-	-	925.74	-	925.74
Total	**28,49,985.18**	**2,45,122.54**	**1,94,020.94**	**-**	**32,89,128.66**

48.3 Liquidity risk and funding management

In assessing the Group's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Group maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Group also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Group's policy, the liquidity position is assessed under a variety

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 48: RISK MANAGEMENT (Contd.)

of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions , issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings. Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Group in line with the Group's budget and decided risk management objectives. The ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the Group. The ALCO will be responsible for ensuring the adherence to the target set by the Board of Directors. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight. The minutes of ALCO meetings are placed before the Audit & Risk Management Committee and the Board of Directors in its next meeting for its ratification.

48.3.1. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date as it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

MATURITY PATTERN OF ASSETS AND LIABILITIES AS ON MARCH 31, 2022:

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	5,57,766.53	17,442.74	81,798.89	15,831.26	17,558.17	-	6,90,397.59
Trade Receivables	439.09	-	-	-	-	-	439.09
Loans	7,71,273.83	5,89,101.70	10,12,326.99	14,02,375.29	5,17,528.68	7,02,014.61	49,94,621.10
Financial investments at amortised cost	9,774.67	319.08	35,093.74	85,425.59	12.26	117.46	1,30,742.80
Financial investments at FVTOCI	42.49	41.29	80.42	332.57	338.74	8,078.69	8,914.20
Financial investments at FVTPL	493.53	-	-	273.24	273.24	273.24	1,313.25
Financial investments at Cost	37.37	29.05	38.30	23.08	-	-	127.80
Other Financial Assets	1,520.47	1,388.39	2,096.45	7,070.36	5,273.87	2,623.43	19,972.97
Total undiscounted financial assets	**13,41,347.98**	**6,08,322.25**	**11,31,434.79**	**15,11,331.39**	**5,40,984.96**	**7,13,107.43**	**58,46,528.80**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 48: RISK MANAGEMENT (Contd.)

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities							
Derivative financial instruments	5.49	-	-	-	-	-	5.49
Other Payables	5,266.95	6.09	10.44	3.05	13.24	9.79	5,309.56
Deposits	48,133.02	62,871.72	1,10,603.99	3,84,837.61	1,88,934.50	-	7,95,380.84
Debt securities	67,070.58	48,059.66	2,03,240.81	3,53,044.47	24,935.75	1,89,841.28	8,86,192.55
Borrowings (other than debt securities)	3,34,259.37	3,20,655.17	5,00,101.49	8,79,880.95	2,41,771.72	49,835.31	23,26,504.01
Other Financial Liabilities	15,973.02	209.40	4,262.67	427.64	403.83	18,474.90	39,751.46
Total undiscounted financial liabilities	**4,70,708.43**	**4,31,802.04**	**8,18,219.40**	**16,18,193.72**	**4,56,059.04**	**2,58,161.28**	**40,53,143.91**
Net undiscounted financial assets/ (liabilities)	**8,70,639.55**	**1,76,520.21**	**3,13,215.39**	**(1,06,862.33)**	**84,925.92**	**4,54,946.15**	**17,93,384.89**

Maturity pattern of assets and liabilities as on March 31, 2021:

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	4,17,872.85	43,078.43	60,082.38	9,456.87	-	11,496.79	5,41,987.32
Trade Receivables	229.99	-	-	-	-	-	229.99
Loans	5,96,957.15	5,31,214.78	9,34,760.56	12,60,752.52	3,96,343.55	6,17,746.44	43,37,775.00
Financial investments at amortised cost	3,329.90	81.18	70,492.48	9,537.99	12.26	115.33	83,569.14
Financial investments at FVTOCI	51.91	57.34	112.86	435.26	453.18	10,659.33	11,769.88
Financial investments at FVTPL	434.03	-	-	326.75	326.75	326.75	1,414.28
Financial investments at Cost	45.07	40.46	56.53	25.96	-	-	168.02
Other Financial Assets	953.66	1,081.56	1,408.36	4,929.33	4,425.53	4,103.28	16,901.72
Total undiscounted financial assets	**10,19,874.56**	**5,75,553.75**	**10,66,913.17**	**12,85,464.68**	**4,01,561.27**	**6,44,447.92**	**49,93,815.35**
Financial liabilities							
Other Payables	7,803.31	72.32	-	-	-	-	7,875.63
Deposits	31,881.41	42,230.72	96,637.94	3,30,862.56	1,51,442.33	-	6,53,054.96
Debt securities	57,034.92	14,023.28	1,05,051.59	3,36,134.57	35,261.60	25,928.10	5,73,434.06
Borrowings (other than debt securities)	4,25,673.15	3,18,500.48	3,76,761.25	6,18,639.32	2,42,872.71	82,758.09	20,65,205.00
Other Financial Liabilities	21,039.90	223.31	4,471.80	278.47	160.62	16,982.76	43,156.86
Total undiscounted financial liabilities	**5,43,432.69**	**3,75,050.11**	**5,82,922.58**	**12,85,914.92**	**4,29,737.26**	**1,25,668.95**	**33,42,726.51**
Net undiscounted financial assets/(liabilities)	**4,76,441.87**	**2,00,503.64**	**4,83,990.59**	**(450.24)**	**(28,175.99)**	**5,18,778.97**	**16,51,088.84**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 48: RISK MANAGEMENT (Contd.)

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2022							
In respect of Income tax demands where the Group has filed appeal before various authorities	-	-	-	-	-	184.11	184.11
VAT demand where the Group has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Guarantees and counter guarantees	110.00	25.00	-	-	-	-	135.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	652.26	-	-	-	-	-	652.26
Commitments related to loans sanctioned but undrawn	36,419.07	16,385.88	-	-	-	-	52,804.95
Total commitments	**37,181.33**	**16,410.88**	**-**	**-**	**-**	**8,463.35**	**62,055.56**

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31,2021							
In respect of Income tax demands where the Group has filed appeal before various authorities	-	-	-	-	-	116.45	116.45
VAT demand where the Group has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Guarantees and counter guarantees	-	-	-	110.00	-	25.00	135.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	302.41	24.56	-	-	-	-	326.97
Commitments related to loans sanctioned but undrawn	23,786.60	-	-	-	-	-	23,786.60
Total commitments	**24,089.01**	**24.56**	**-**	**110.00**	**-**	**8,420.69**	**32,644.26**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 48: RISK MANAGEMENT (Contd.)

48.4 Market Risk

Market risk is that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Group exposure to changes in interest rates relates to the Group outstanding floating rate liabilities. Outstanding liability which are on fixed rate basis are not subject to interest rate risk. Only borrowings that are linked to rate benchmarks such as Bank MCLR and Mumbai Inter-Bank Offer Rate (MIBOR) are subject to interest rate risk. The sensitivity of the Group floating rate borrowings to change in interest rate (assuming all other variables constant) is given below

AS AT MARCH 31, 2022

₹ in Lakhs

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Debt securities	20,000.00	200.00	(200.00)
Term Loans - Bank	11,39,121.56	1,19,153.48	(94,779.35)
Term Loans - National Housing Bank	55,463.27	554.63	(554.63)
Term Loans - Financial Institution	78,768.49	9,685.95	(7,658.82)
Loans & Advances	2,10,315.57	(2,103.16)	2,103.16
Total floating rate borrowings	**15,03,668.89**	**1,27,490.90**	**(1,01,089.64)**

As at March 31, 2021

₹ in Lakhs

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Term Loans - Bank	9,87,095.63	98,895.48	(79,283.06)
Term Loans - National Housing Bank	8,981.52	89.82	(89.82)
Term Loans - Financial Institution	2,78,637.32	38,692.44	(29,772.30)
Loans & Advances	2,49,808.10	(2,498.08)	2,498.08
Total floating rate borrowings	**15,24,522.57**	**1,35,179.66**	**(1,06,647.10)**

Fair value sensitivity analysis for fixed rate instruments

The Group fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Currency Risk

The Group is exposed to currency risk on account of its borrowings in foreign currency. The fluctuation currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The Group does not use derivative financial instruments for trading or speculative purposes.

Following are the forward contracts to hedge the foreign exchange rate

Particulars	Purpose	Currency	Cross Currency	March 31, 2022	March 31, 2021
Forward Contract (principal)	Term Loan	USD	₹	5,218.44	NA

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 49 : DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Group, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount remaining unpaid to supplier as at the end of the year	6.39	18.90
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

NOTE 50: EXPENDITURE IN FOREIGN CURRENCY: Nil (March 31, 2021: ₹ 623.25 Lakhs)

NOTE 51: The Group had no discontinuing operations during the year ended March 31, 2022 and March 31, 2021.

NOTE 52: EVENTS AFTER REPORTING DATE

There have been no events after the reporting date, which warrants adjustments to be made in the financials statement prepare for the year ended March 31, 2022.

NOTE 53: TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

53.1 Shriram City Union Finance Limited

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	2,17,363.26	3,44,849.01
Carrying amount of associated liabilities (Borrowings (other than debt securities)- measured at amortised cost)	2,10,013.63	3,38,459.12
Fair value of assets	2,23,304.71	3,58,964.40
Fair value of associated liabilities	2,26,362.80	3,72,624.36
Net position at Fair Value	(3,058.09)	(13,659.96)

NOTE 53: TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY (Contd.)

53.2 Shriram Housing Finance Limited

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	5,773.16	7,161.27
Carrying amount of associated liabilities (Borrowings (other than debt securities) - measured at amortised cost)	5,777.43	7,412.99
Fair value of assets	5,773.16	7,161.27
Fair value of associated liabilities	5,777.43	7,412.99
Net position at Fair Value	(4.27)	(251.72)

NOTE 54: TRANSFERRED FINANCIAL ASSETS THAT ARE DERECOGNISED IN THEIR ENTIRETY

54.1 Shriram City Union Finance Limited

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	8,215.46	10,419.30
Carrying amount of exposures retained by the Company at amortised cost	876.20	1,009.52

54.2 Shriram Housing Finance Limited

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% , 80% and 87% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	77,522.81	50,034.13
Carrying amount of exposures retained by the Company at amortised cost	11,234.59	8,923.94

NOTE 55: TRANSFERRED FINANCIAL ASSETS THAT ARE DERECOGNISED IN THEIR ENTIRETY BUT WHERE THE COMPANY HAS CONTINUING INVOLVEMENT

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 56: DISCLOSURE RELATING TO SECURITISATION (NON STC)

Disclosure as per RBI Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

56.1.1 Shriram City Union Finance Limited

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

₹ in Lakhs

S. No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1	Total number of transactions under par structure	9	9
2	Total book value of assets	2,20,835.52	2,11,842.97
3	Sale consideration received	2,20,835.52	2,11,842.97

56.1.2 Shriram Housing Finance Limited

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

₹ in Lakhs

S. No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1	Total number of transactions under par structure	-	1
2	Total book value of assets	-	4,068.74
3	Sale consideration received	-	4,068.74

56.2 Disclosures to be made in Notes to Accounts by originators

56.2.1 Shriram City Union Finance Limited

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of SPEs holding assets for securitisation transactions originated by the originator	20	23
2	Total amount of securitised assets as per books of the SPEs	2,17,363.26	3,44,849.01
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	81,976.50	97,715.10
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	81,852.90	97,554.28
	Others	123.60	160.82
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 56: DISCLOSURE RELATING TO SECURITISATION (NON STC) (Contd.)

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation		
	(a) Sale consideration	2,20,835.52	2,11,842.97
	(b) Gain / Loss on securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided -Credit enhancement		
	a) Amount paid	70,115.57	97,554.28
	b) Repayment received	85,816.95	70,520.71
	c) Outstanding amount	81,852.90	97,554.28
8	Average default rate of portfolios observed in the past.		
	a) Trade Finance	1.12%	0.18%
	b) Personal Loans	1.28%	-
	c) Vehicle Loans	1.49%	0.88%
9	Amount and number of additional / top up loan given on same underlying asset.	-	-
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding	-	-

56.2.2 Shriram Housing Finance Limited

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of SPEs holding assets for securitisation transactions originated by the originator	2	2
2	Total amount of securitised assets as per books of the SPEs	5,773.16	7,161.27
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	1,298.50	1,298.50
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	1,298.50	1,298.50
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 56: DISCLOSURE RELATING TO SECURITISATION (NON STC) (Contd.)

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation		
	(a) Sale consideration	-	4,068.74
	(b) Gain / Loss on securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided -Credit enhancement		
	a) Amount paid	-	651.00
	b) Repayment received	-	-
	c) Outstanding amount	1,298.50	1,298.50
8	Average default rate of portfolios observed in the past.		
	a) Housing Loan	0.20%	-
9	Amount and number of additional / top up loan given on same underlying asset.		
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding		

There are no transaction in nature of STC for the year ended March 31, 2022 and March 31, 2021

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 57: DISCLOSURE RELATING ASSIGNMENT

57.1.1 Shriram City Union Finance Limited

(i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of transactions Assigned by the Company	2	5
2	Total amount of Outstanding	8,215.46	10,419.30
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet	876.20	1,009.52
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	876.20	1,009.52
4	Amount of exposures to Assigned transaction other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation		
	(a) Sale consideration	4,570.02	-
	(b) Gain / Loss on securitisation	210.38	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided - Credit enhancement		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past.		
	a) Trade Finance	0.12%	0.03%
	b) Personal Loans	-	-
	c) Vehicle Loans	-	0.40%
9	Amount and number of additional / top up loan given on same underlying asset.	-	-
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 57: DISCLOSURE RELATING ASSIGNMENT (Contd.)

(ii) There are no transaction in nature of Direct Assignment wherein the Company as an originator had assets assigned under premium structure as on March 31, 2022 and March 31, 2021.

57.1.2 Shriram Housing Finance Limited

(i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of transactions Assigned by the Company	22	12
2	Total amount of Outstanding	77,522.81	50,034.13
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet	11,234.59	8,923.94
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	11,234.59	8,923.94
4	Amount of exposures to Assigned transaction other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation		
	(a) Sale consideration	42,649.74	30,411.59
	(b) Gain / Loss on securitisation	5,508.35	7,390.05
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided - Credit enhancement		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past.		
	a) Housing Loan	0.19%	0.06%
	b) Non Housing Loan	0.15%	0.03%
9	Amount and number of additional / top up loan given on same underlying asset.		
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding.		

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 57: DISCLOSURE RELATING ASSIGNMENT (Contd.)

(ii) There are no transaction in nature of Direct Assignment wherein the Company as an originator had assets assigned under premium structure as on March 31, 2022 and March 31, 2021.

57.2 The Group has not sold any financial assets to Securitisation/Reconstruction company for asset reconstruction for the year ended March 31, 2022 and March 31, 2021.

57.3 The Group has not purchased/sold non-performing assets for the year ended March 31, 2022 and March 31, 2021

NOTE 58: INVESTMENTS

₹ in Lakhs

Particulars			As at March 31, 2022	As at March 31, 2021
(1)	**Value of investments**			
	(i)	Gross value of investments		
		(a) In India	1,23,446.67	82,736.72
		(b) Outside India,	7,515.00	9,686.10
	(ii)	Provisions for depreciation		
		(a) In India	13.50	8.51
		(b) Outside India,	-	-
	(iii)	Net value of investments		
		(a) In India	1,23,433.17	82,728.21
		(b) Outside India,	7,515.00	9,686.10
(2)	**Movement of provisions held towards depreciation on investments**			
	(i)	Opening balance	8.51	1.81
	(ii)	Add : Provisions made during the year	11.58	7.27
	(iii)	Less : Write-off/write-back of excess provisions during the year	(6.59)	(0.57)
	(iv)	Closing balance	13.50	8.51

NOTE 59: DERIVATIVES

59.1 Forward rate agreement/Interest rate swap: NIL

59.2 Exchange Traded interest rate (IR) derivatives : NIL

NOTE 60: RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

60.1 Shriram City Union Finance Limited

Rating Agency	Rating Instrument	As at March 31, 2022	As at March 31, 2021
India Ratings	Long-Term (NCDs)	IND AA/ Positive	IND AA/ Stable
	Long-Term (NCDs-MLD)	IND PP-MLD AAemr/ Positive	IND PP-MLD AAemr/ Stable
	Bank Loan Ratings	IND AA/ Positive	IND AA/ Stable
	Fixed deposit	NA	IND tAA/ Stable
CARE	Long-Term (NCDs)	CARE AA	CARE AA+ /Stable
	Short-Term (CP)	CARE A1+	CARE A1+
	Fixed deposit	CARE AA	CARE AA /Stable
ICRA	Long-Term (NCDs)	ICRA AA	ICRA AA / Stable
	Long-Term (NCDs-MLD)	ICRA PP-MLD AA	ICRA PP-MLD AA/Stable
	Short-Term (CP)	ICRA A1+	ICRA A1+
	Fixed deposit	MAA+ /Stable	MAA+ / Stable
CRISIL	Long-Term (NCDs)	CRISIL AA	CRISIL AA / Stable
	Short-Term (CP)	CRISIL A1+	CRISIL A1+

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 60: RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR (Contd.)

60.2 Shriram Housing Finance Limited

Rating Agency	Rating Instrument	As at March 31, 2022	As at March 31, 2021
India Ratings	Long-Term (NCDs)	IND AA	IND AA
	Bank Loan Ratings	IND AA	IND AA
CARE	Long-Term (NCDs)	CARE AA	CARE AA
	Short-Term (CP)	CARE A1+	CARE A1+
	Long-Term Bank Loan Ratings	CARE AA	CARE AA
	Subordinate Debts	CARE AA	CARE AA
CRISIL	Bank Loan Ratings	CRISIL AA	CRISIL AA
	Long-Term (NCDs)	CRISIL AA	CRISIL AA

NOTE 61: EXPOSURE TO REAL ESTATE SECTOR

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
i)	**Residential Mortgages -** Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	3,99,957.89	3,02,057.42
ii)	**Commercial Real Estate -** Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	64,977.71	62,103.56
iii)	**Investments in Mortgage Backed Securities(MBS) and other securitised exposures -**		
	Residential	-	14.15
	Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	**4,64,935.60**	**3,64,175.13**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 62: EXPOSURE TO CAPITAL MARKET

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	8,008.53	10,274.66
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to capital market	**8,008.53**	**10,274.66**

NOTE 63: DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

The Group does not have any Parent Company, hence not applicable.

NOTE 64: DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC

The Group has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the year ended March 31, 2022 and March 31, 2021

NOTE 65: UNSECURED ADVANCES

The Group has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 66: PROVISIONS AND CONTINGENCIES

66.1 Shriram City Union Finance Limited

₹ in Lakhs

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2022	Year ended March 31, 2021
Provisions for depreciation on investments	0.08	6.47
Provision towards NPA #	3,064.61	(9,804.56)
Provision made towards income tax ##	37,504.87	37,844.33
Provision for Standard Assets ###	403.91	9,912.24
Provision towards impairment of financial instruments other than provision for stage 3 assets	43.53	171.58

Expected Credit Loss Provision for stage 3 assets.

Provision made towards income tax comprises of current tax, deferred tax and tax adjustment for earlier years.

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets.

66.2 Shriram Housing Finance Limited

₹ in Lakhs

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2022	Year ended March 31, 2021
Provisions for depreciation on investments ##	4.92	0.21
Provision towards NPA#	437.05	347.71
Provision made towards income tax	2,880.29	2,185.31
Provision for Standard Assets#	960.22	905.45
Provision for Undrawn commitment	164.25	(21.93)
Provision for Covid-19 impact	(1,000.00)	-
Provision for Assignment Receivables	(242.43)	185.53

Amount shown is as per expected credit loss(ECL) of loans & non funded exposure as per Ind AS.

Amount shown is as per expected credit loss(ECL) of investment & ECL on interest on investment as per Ind AS .

NOTE 67: DRAW DOWN FROM RESERVES

The draw down from reserves was Nil during the year ended March 31, 2022 and March 31, 2021.

NOTE 68: CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS

68.1.1 Shriram City Union Finance Limited

a) Concentration of deposits (for deposit taking NBFCs)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total deposits of twenty largest depositors	15,759.51	13,448.28
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.31%	2.43%

b) Concentration of advances

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total advances to twenty largest borrowers	17,357.94	22,622.75
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.52%	0.77%

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 68: CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (Contd.)

c) Concentration of exposures

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to twenty largest borrowers/customers	17,357.94	22,622.75
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	0.52%	0.77%

d) Concentration of NPAs #

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top four NPA accounts	4,176.21	4,016.98

NPA accounts refer to stage 3 assets.

e) Sector-wise NPAs #

S. No	Sector	As at March 31, 2022	As at March 31, 2021
		Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME / Corporate borrowers	7.03%	7.26%
3	Services	-	-
4	Loan Against Property	0.47%	-
5	Unsecured personal loans	9.25%	10.86%
6	Auto loans		
	i) Auto Loans	9.87%	8.56%
	ii) Two wheeler	6.04%	5.80%
	iii) Pre Owned Two Wheeler	6.28%	2.21%
7	Other personal loans		
	i) Consumer Durable	-	-
	ii) Pledged Jewel	1.99%	2.86%
8	Others	0.70%	1.04%

NPA accounts refer to stage 3 assets.

68.1.2 Shriram Housing Finance Limited

a) Concentration of Public Deposits

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Deposits of twenty largest depositors		
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	N.A.	N.A.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 68: CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (Contd.)

b) Concentration of Loans & Advances

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Loans & Advances to twenty largest borrowers	26,669.12	22,940.75
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	5.90%	6.77%

c) Concentration of all Exposure (including off-balance sheet exposure)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers /customers	35,637.12	26,779.85
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	7.15%	7.50%

d) Concentration of NPAs#

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top ten NPA accounts	1,494.77	1,556.24

NPA accounts refer to stage 3 assets.

e) Sector-wise NPAs

S. No	Sector	As at March 31, 2022	As at March 31, 2021
		Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
A	Housing Loans:		
1	Individuals	0.74%	0.59%
2	Builders/Project Loan	-	0.17%
3	Corporates	0.13%	-
4	Others (specify)	-	-
B.	Non-Housing Loans:		
1	Individuals	1.84%	2.13%
2	Builders/Project Loan	-	-
3	Corporates	0.37%	0.60%
4	Others (specify)	-	-

#NPA accounts refer to stage 3 assets.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 68: CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (Contd.)

68.2 Movement of NPAs

68.2.1 Shriram City Union Finance Limited

₹ in Lakhs

S. No	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	**Net NPAs to Net Advances (%)**	3.30%	3.08%
(ii)	**Movement of NPAs (Gross)**		
	(a) Opening balance	1,87,598.74	2,26,293.73
	(b) Additions during the year	1,80,611.56	1,00,911.35
	(c) Reductions during the year	(1,59,341.10)	(1,39,606.34)
	(d) Closing balance	**2,08,869.20**	**1,87,598.74**
(iii)	**Movement of Net NPAs**		
	(a) Opening balance	87,728.16	1,16,618.59
	(b) Additions during the year	91,930.47	25,800.76
	(c) Reductions during the year	(73,724.62)	(54,691.19)
	(d) Closing balance	**1,05,934.01**	**87,728.16**
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	(a) Opening balance	99,870.58	1,09,675.14
	(b) Provisions made during the year	88,681.09	75,110.59
	(c) Write-off / write-back of excess provisions	(85,616.48)	(84,915.15)
	(d) Closing balance	**1,02,935.19**	**99,870.58**

NPA accounts refer to stage 3 assets.

68.2.2 Shriram Housing Finance Limited

₹ in Lakhs

S. No	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	**Net NPAs to Net Advances (%)**	1.32%	1.47%
(ii)	**Movement of NPAs (Gross)**		
	(a) Opening balance	6,422.18	4,884.02
	(b) Additions during the year	4,730.70	3,003.58
	(c) Reductions during the year	(3,273.20)	(1,465.42)
	(d) Closing balance	**7,879.68**	**6,422.18**
(iii)	**Movement of Net NPAs**		
	(a) Opening balance	5,015.51	3,825.08
	(b) Additions during the year	3,556.54	2,305.64
	(c) Reductions during the year	(2,536.09)	(1,115.21)
	(d) Closing balance	**6,035.96**	**5,015.51**
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	(a) Opening balance	1,406.67	1,058.94
	(b) Provisions made during the year	1,174.16	720.14
	(c) Write-off / write-back of excess provisions	(737.11)	(372.41)
	(d) Closing balance	**1,843.72**	**1,406.67**

NPA accounts refer to stage 3 assets.

Note 68.3: As at March 31, 2022, additional ECL provision on loan assets as management overlay on account of COVID-19 stood at ₹ 42,553.44 Lakhs (March 31, 2021: ₹ 71,876.72 Lakhs). The additional ECL provision on account of COVID-19 is based on the Group's historical experience, collection efficiencies till date, internal assessment on the impacted segments and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Group's management is continuously monitoring the situation and the economic factors affecting the operations of the Group.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 69: OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Group does not have any joint venture or subsidiary abroad, hence not applicable.

NOTE 70: OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

The Group has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

NOTE 71: CUSTOMER COMPLAINTS

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
(a)	Number of complaints pending at the beginning of the year	2	25
(b)	Number of complaints received during the year	5,752	2,982
(c)	Number of complaints redressed during the year	5,751	3,005
(d)	Number of complaints pending at the end of the year	3	2

NOTE 72: DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

72.1 Shriram city union Finance Limited

No penalties have been levied by any regulator on the Company for the year ended March 31, 2022.

Details for penalties levied for the year ended March 31, 2021 as follows.

₹ in Lakhs

S. No	Authority	Details of non-compliance made by the Company for which penalty has been levied	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/Stay Received	Date of payment	Status as on March 31, 2021
1	Reserve Bank of India	Non-Compliance with directions issued by RBI on verification of the ownership of gold jewellery	5.00	5.00	Nil	Nil	October 12, 2020	Paid
2	Financial Intelligence Unit - India	Failure of the Company to file CTR, to evolve an internal mechanism for detecting the transactions, to put in place of an effective mechanism to detect and report suspicious transactions, to undertake risk categorization of the customers and to conduct periodical review of risk categorization, to identify and verify the Beneficial Owner	4.50	4.50	Nil	Nil	January 1, 2021	Paid

72.2 Shriram Housing Finance Limited

No penalties have been imposed by NHB or any other regulators for the year ended March 31, 2022 and March 31, 2021.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 73: The Group invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Group and in accordance with the guidelines issued by the RBI on August 6, 2020 and May 5, 2021. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.

73.1 Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021: Resolution of Covid-19 related stress of individuals and Small Businesses

₹ in Lakhs

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of March 31, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Addition on account of implementation of resolution during the year end of March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position at the end of March 31, 2022
Personal Loans	5,819.29	894.26	-	359.05	9,467.29	14,033.27
Corporate persons*	13,091.72	5,110.87	54.47	1,931.37	13,468.97	19,463.98
Of which, MSMEs	13,091.72	5,110.87	54.47	1,931.37	13,468.97	19,463.98
Others	2,143.03	1,013.39	4.31	99.83	2,130.43	3,155.93
Total	**21,054.04**	**7,018.52**	**58.78**	**2,390.25**	**25,066.69**	**36,653.18**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

73.2 Disclosure as per format prescribed under notification no. RBI/2020-21/17 DOR.No.BP.BC/4/21 04.048/2020-21 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances having exposure less than or equal to ₹ 25 crores) for the year ended March 31, 2022

₹ in Lakhs

No. of accounts restructured *	Amount
548	14,925.43

* relates to accounts restructured under COVID 1.0 framework

NOTE 74: COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Board of Directors of the Company in its meeting held on December 13, 2021 has approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited) and the Company with Shriram Transport Finance Company Limited under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The said Scheme is effective upon approval of shareholders, creditors, Hon'ble National Company Law Tribunal, Reserve Bank of India and other regulatory and statutory approvals as applicable with an appointed date of April 1, 2022. The Company has already initiated process for the approval of the Scheme by various statutory authorities. The Company has received Observation letters dated March 15, 2022 and March 16, 2022 from BSE Limited (designated Stock Exchange) and National Stock Exchange of India Limited respectively. The financial statements are for the year ended March 31, 2022, which is prior to the appointed date i.e. April 1, 2022 and as such the approval / implementation of Scheme has no implications on these financial statements.

NOTE 75: The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Group towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 76: CHANGE IN THE PROCESS OF NPA CLASSIFICATION

Pursuant to the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Group has aligned its definition of default from "Days Past Due Approach as on reporting date" to "Days Past Due Approach as on Day end" with effect from November 12, 2021. Had the Group followed the earlier method, the profit before tax for the period ended March 31, 2022 would have been higher by ₹ 6,338.89 Lakhs.

NOTE 77: DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Group has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

NOTE 78: DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

NOTE 79: WILFUL DEFAULTER

The Group is not declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

NOTE 80: RELATIONSHIP WITH STRUCK OFF COMPANIES

The Group has not undertaken any transactions with any company whose name is struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2022 and March 31, 2021.

NOTE 81: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

NOTE 82: COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

NOTE 83: UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Group, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Group's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements. Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has also not received any fund from any parties (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 84: UNDISCLOSED INCOME

There are no transactions in nature of undisclosed income.

NOTE 85: DETAILS OF STRESSED LOANS TRANSFERRED/ACQUIRED DURING THE YEAR

The Group has neither acquired nor transferred any stressed loans during the year ended March 31, 2022.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 86: DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR ENDED MARCH 31, 2022 VIDE DNBS. PD. CC NO. 256/03.10.042/2011-12 DATED 02 MARCH, 2012

86.1 Shriram City Union Finance Limited

Instances of fraud for the year ended March 31, 2022:

₹ in Lakhs

Particulars	Less than ₹ 1 Lakh		₹ 1 Lakh to ₹25 Lakhs		Greater than ₹ 25 Lakhs		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Staff & Customer	-	-	-	-	-	-	-	-
Customer	1	0.70	-	-	-	-	1	0.70
Customer & Outsider	-	-	-	-	-	-	-	-
Staff, Customer & Outsider	-	-	-	-	-	-	-	-
Total	**1**	**0.70**	**-**	**-**	**-**	**-**	**1**	**0.70**
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	1	0.70	-	-	-	-	1	0.70
Total	**1**	**0.70**	**-**	**-**	**-**	**-**	**1**	**0.70**

Instances of fraud for the year ended March 31, 2021:

₹ in Lakhs

Particulars	Less than ₹ 1 Lakh		₹ 1 Lakh to ₹ 25 Lakhs		Greater than ₹ 25 Lakhs		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Staff & Customer	-	-	2	5.00	-	-	2	5.00
Customer	-	-	-	-	-	-	-	-
Customer & Outsider	-	-	-	-	-	-	-	-
Staff, Customer & Outsider	-	-	-	-	-	-	-	-
Total	**-**	**-**	**2**	**5.00**	**-**	**-**	**2**	**5.00**
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	-	-	2	5.00	-	-	2	5.00
Total	**-**	**-**	**2**	**5.00**	**-**	**-**	**2**	**5.00**

"- "represents Nil

86.2 Shriram Housing Finance Limited

Instances of fraud for the year ended March 31, 2022: Nil

Instances of fraud for the year ended March 31, 2021: Two frauds were detected during the year ended March 31, 2021 and was duly reported to the Board and National Housing Bank. While in one case, the fraud was detected before the disbursement of loan and hence there was no principal loss to the subsidiary company, in the second case, the loan outstanding of ₹ 22.40 Lakhs was fully written off during the year.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 87: ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2022

₹ in Lakhs

Particulars	0 to 7 days	8 to 14 days	15 to 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3 Months	Over 3 months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	2,495.92	2,982.13	9,675.57	14,217.52	18,143.29	60,939.01	1,04,216.23	3,29,061.66	1,41,107.31	-	6,82,838.64
Advances*	1,51,814.79	55,984.74	59,636.75	1,68,509.39	1,78,370.53	4,62,697.04	8,14,760.91	11,28,944.83	3,15,199.72	2,18,680.93	35,54,599.63
Investments	-	282.41	578.58	852.43	7,900.71	139.37	31,708.82	80,944.14	486.75	8,054.96	1,30,948.17
Borrowings	39,068.14	12,017.89	64,343.17	55,504.50	95,391.35	2,80,946.78	8,39,586.70	9,94,930.79	2,30,316.45	1,59,112.26	27,71,218.03
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

As at March 31, 2021

₹ in Lakhs

Particulars	0 to 7 days	8 to 14 days	15 to 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3 Months	Over 3 months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	1,239.96	1,587.71	6,626.81	9,697.77	12,304.94	40,859.07	90,645.87	2,80,783.32	1,09,143.33	-	5,52,888.78
Advances*	1,11,101.30	44,981.02	36,509.74	1,31,743.11	1,39,760.34	4,11,671.18	7,45,473.62	10,18,259.74	2,41,912.14	1,98,367.69	30,79,779.88
Investments	-	280.77	466.63	3,035.97	24.68	72.29	68,210.46	8,823.87	615.65	10,883.99	92,414.31
Borrowings	187.77	43,105.54	1,01,771.93	1,03,323.64	1,15,892.78	2,44,771.95	6,32,260.67	8,51,306.82	1,93,209.71	35,894.97	23,21,725.78
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

* net of Impairment loss allowance.

NOTE 88: PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to confirm to current year's classification.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

K Jayasankar
Partner
Membership No.014156

Place: Chennai
Date : April 29, 2022

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

Lalitha Rameswaran
Partner
Membership No.207867

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

NOTES

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Shriram City Union Finance Ltd.
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SHRIRAM City
MONEY WHEN YOU NEED IT MOST

Ref: STEC NSE/BSE 678/2022

October 21, 2022

The Secretary
BSE Ltd
P J Towers
Dalal St
Mumbai 400 001

The Manager
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra- Kurla Complex
Bandra (E)
Mumbai 400 051

Sir,

Ref: ISIN - INE722A01011

Scrip Code - BSE- 532498, NSE – SHRIRAMCIT

Sub: Outcome of the Board Meeting

The Board of Directors at their meeting held today among other items have inter alia

i. considered and approved (i) unaudited standalone financial results for the quarter and half year ended September 30, 2022 along with the statement of assets and liabilities and standalone Cash Flow statement as on September 30, 2022 (ii) unaudited consolidated financial results of the Company for the quarter and half year ended September 30, 2022, along with statement of assets and liabilities and consolidated Cash Flow statement as on September 30, 2022. The said results were subjected to Limited Review ("LR") by the Joint Statutory Auditors of the Company. We enclose herewith the said financial results and the LR report. The financial results would be published in the format of newspaper publication version in one English and one vernacular newspaper.

ii. decided not to declare interim dividend

We enclose the unaudited financial results, statement of assets and liabilities, Cash Flow Statement and the Limited Review Report on the standalone and consolidated financial results of the Company.

The meeting commenced at 2.00 pm and ended at 17.30 p.m.

This is an intimation under regulation 30, 30(6), 33(2), 33(3), 47(1), 47(3), 52, 52(4) and other applicable regulations of LODR.

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,
For Shriram City Union Finance Limited,

21/10/2022

C R Dash
Company Secretary

SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Standalone Financial Results for the Quarter and Half-Year ended September 30, 2022

Rs. in lakhs

S. No.	Particulars	Quarter Ended			Half-Year Ended		Year Ended
		September 30, 2022 (Unaudited)	June 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	March 31, 2022 (Audited)
1	**Revenue from Operations**						
	Interest income	1,88,713	1,75,039	1,51,467	3,63,752	2,96,854	6,21,423
	Dividend income	-	118	-	118	185	185
	Fees and commission income	733	4,410	1,754	5,143	3,141	12,706
	Net gain on fair value changes	2,453	57	43	2,510	67	60
	Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-	-	210
	Bad debts recovery	4,437	4,555	5,069	8,992	7,560	18,092
	Total Revenue from Operations	**1,96,336**	**1,84,179**	**1,58,333**	**3,80,515**	**3,07,807**	**6,52,676**
2	**Other Income**	99	87	92	186	174	363
3	**Total Income (1 + 2)**	**1,96,435**	**1,84,266**	**1,58,425**	**3,80,701**	**3,07,981**	**6,53,039**
4	**Expenses**						
	Finance costs	73,316	68,095	61,580	1,41,411	1,19,038	2,53,253
	Net loss on derecognition of financial instruments under amortised cost category	56	95	7	151	61	-
	Fees and commission expenses	5,302	3,304	1,932	8,606	3,702	10,373
	Impairment on financial instruments	1,119	1,048	(113)	2,167	6,267	3,512
	Bad debts written off	21,406	21,709	20,406	43,115	43,033	85,253
	Employee benefit expenses	31,577	31,488	22,616	63,065	45,051	97,237
	Depreciation, amortisation and impairment	1,928	1,911	1,987	3,839	3,911	7,836
	Royalty	2,141	2,009	1,786	4,150	3,315	7,076
	Professional charges	3,018	4,198	3,140	7,216	6,121	12,665
	Other expenses	10,003	7,278	7,428	17,281	11,906	29,710
	Total Expenses	**1,49,866**	**1,41,135**	**1,20,769**	**2,91,001**	**2,42,405**	**5,06,915**
5	**Profit before exceptional items and Tax (3 - 4)**	**46,569**	**43,131**	**37,656**	**89,700**	**65,576**	**1,46,124**
6	Exceptional items	-	-	-	-	-	-
7	**Profit before Tax (5 + 6)**	**46,569**	**43,131**	**37,656**	**89,700**	**65,576**	**1,46,124**
8	**Tax Expenses**						
	Current tax	12,716	12,200	9,424	24,916	18,042	38,975
	Tax adjustment for earlier years	-	-	-	-	-	334
	Deferred tax	(1,075)	(1,348)	6	(2,423)	(1,491)	(1,804)
	Total Tax Expenses	**11,641**	**10,852**	**9,430**	**22,493**	**16,551**	**37,505**
9	**Profit for the period (7 - 8)**	**34,928**	**32,279**	**28,226**	**67,207**	**49,025**	**1,08,619**
10	**Other Comprehensive Income**						
	A. Items that will not be reclassified to profit or loss						
	Remeasurement gain / (loss) on defined benefit plan	(21)	(74)	(160)	(95)	(646)	(157)
	Gain / (loss) on fair valuation of quoted investments in equity shares	97	(1,965)	261	(1,868)	(216)	(2,171)
	Income tax provision / (reversal) relating to items that will not be reclassified to profit or loss	22	(1,155)	66	(1,133)	(54)	(546)
	Subtotal (A)	**54**	**(884)**	**35**	**(830)**	**(808)**	**(1,782)**
	B. Items that will be reclassified to profit or loss						
	Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Subtotal (B)	-	-	-	-	-	-
	Other Comprehensive Income (A+B)	**54**	**(884)**	**35**	**(830)**	**(808)**	**(1,782)**
11	**Total Comprehensive Income for the period (9 + 10)**	**34,982**	**31,395**	**28,261**	**66,377**	**48,217**	**1,06,837**
12	**Paid-up Equity Share Capital (Face value of Rs.10 per share)**	**6,687**	**6,670**	**6,606**	**6,687**	**6,606**	**6,663**
13	**Other Equity**						**8,90,585**
14	**Earning per equity share (Not annualised for interim periods)**						
	Basic (Rs.)	**52.31**	**48.42**	**42.75**	**100.73**	**74.26**	**164.16**
	Diluted (Rs.)	**51.54**	**47.92**	**42.29**	**99.46**	**73.51**	**163.17**

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SHRIRAM CITY UNION FINANCE LTD. ANNATHOME CHENNAI-4

SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Standalone Assets, Liabilities and Equity as at September 30, 2022

Rs in lakhs

Particulars	As at September 30, 2022 (Unaudited)	As at March 31, 2022 (Audited)
I. ASSETS		
1. Financial Assets		
Cash and cash equivalents	4,55,825	5,21,731
Bank balance other than above	1,09,112	1,39,548
Receivables		
(I) Trade receivables	249	439
(II) Other receivables	-	-
Loans	33,94,588	31,02,385
Investments	2,29,424	1,83,628
Other financial assets	5,179	4,800
Total Financial Assets	**41,94,377**	**39,52,531**
2. Non-Financial Assets		
Current tax assets (net)	1,548	2,666
Deferred tax assets (net)	18,723	15,166
Property, plant and equipment	6,912	6,415
Intangible assets	230	189
Intangible assets under development	654	-
Right of use assets	16,132	16,260
Other non-financial assets	11,713	13,538
Total Non-Financial Assets	**55,912**	**54,234**
Total Assets	**42,50,289**	**40,06,765**
II. LIABILITIES AND EQUITY		
Liabilities		
1. Financial Liabilities		
Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	9	6
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,618	4,050
Debt securities	6,96,674	6,51,514
Borrowings (other than debt securities)	17,83,965	17,28,829
Deposits	7,50,563	6,82,839
Other financial liabilities	32,608	33,383
Total Financial Liabilities	**32,69,437**	**31,00,621**
2. Non-Financial Liabilities		
Provisions	2,772	2,660
Other non-financial liabilities	3,226	6,236
Total Non-Financial Liabilities	**5,998**	**8,896**
Total Liabilities	**32,75,435**	**31,09,517**
3. Equity		
Equity Share Capital	6,687	6,663
Other Equity	9,68,167	8,90,585
Total Equity	**9,74,854**	**8,97,248**
Total Liabilities and Equity	**42,50,289**	**40,06,765**

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SHRIRAM CITY UNION FINANCE LTD. ATLANTIC CHENNAI

SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Standalone Cash Flow for the Half-Year ended September 30, 2022

Rs in lakhs

Particulars	Half-Year Ended	
	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	89,700	65,576
Adjustments for :		
Depreciation, amortisation and impairment	3,839	3,911
(Profit) / loss on sale of property, plant and equipment (net)	3	1
Bad debts written off	43,115	43,033
Impairment on financial instruments	2,167	6,267
Amortisation of premium on Government securities	560	30
Interest on lease liabilities	920	913
Interest income on fair valuation of security deposits	(117)	(111)
Net (gain) / loss on sale of investments and fair value changes of investment	(2,510)	(67)
Net (gain) / loss on derecognition of financial instruments under amortised cost category	151	61
Lease concessions received	(9)	(13)
Share based payments to employees	10,388	3,254
Dividend income considered as cash flow from investing activity	(118)	(185)
Operating profit before working capital changes	**1,48,089**	**1,22,670**
Movements in working capital:		
(Increase) / decrease in loans and advances	(3,37,549)	(1,33,335)
(Increase) / decrease in other non financial assets	1,753	(2,645)
(Increase) / decrease in other financial assets	(249)	355
(Increase) / decrease in bank deposits	30,444	(5,255)
(Increase) / decrease in receivables	200	15
(Increase) / decrease in investments	(47,265)	(1,095)
Increase / (decrease) in other financial liabilities	(1,090)	596
Increase / (decrease) in other non financial liabilities	(3,010)	65
Increase / (decrease) in other payables	1,571	(2,405)
Increase / (decrease) in other provisions	53	(449)
Cash generated from operations	**(2,07,053)**	**(21,483)**
Direct taxes paid (net of refunds)	(23,798)	(20,096)
Net cash from / (used in) operating activities (A)	**(2,30,851)**	**(41,579)**

R. SUBRAMANIAN AND CO. LLP CHENNAI 600004 Chartered Accountants

ABARNA & ANANTHAN FRN No 000003S BANGALORE CHARTERED ACCOUNTANTS

SHRIRAM CITY UNION FINANCE LTD. SANTHOME CHENNAI-4

SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Standalone Cash Flow for the Half-Year ended September 30, 2022

Rs in lakhs

Particulars	Half-Year Ended	
	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets and intangible assets under development	(2,295)	(1,158)
Investment in subsidiary	-	(20,000)
Capital advance for assets	72	47
Proceeds from sale of fixed assets	15	6
Dividend income	118	185
Investment in Mutual Funds	(950)	-
Profit on sale of investment in Mutual Funds	2,505	-
Net cash from / (used in) investing activities (B)	**(535)**	**(20,920)**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	841	228
Increase / (decrease) of debt securities	45,160	1,34,129
Increase / (decrease) of borrowings	55,137	(1,23,508)
Increase / (decrease) of deposits	67,724	82,239
Payment of lease liabilities	(3,382)	(3,187)
Dividend paid on equity shares	-	(15,181)
Net cash from / (used in) financing activities (C)	**1,65,480**	**74,720**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(65,906)**	**12,221**
Cash and cash equivalents at the beginning of the year	**5,21,731**	**3,81,528**
Cash and cash equivalents at the end of the period	**4,55,825**	**3,93,749**

Rs in lakhs

Components of cash and cash equivalents	As at September 30, 2022 (Unaudited)	As at September 30, 2021 (Unaudited)
Cash on hand	7,362	6,087
Balances with banks		
- in current accounts	1,48,853	83,873
- in deposit accounts having original maturity less than three months	2,99,610	3,03,789
Total	**4,55,825**	**3,93,749**

SUBRAMANIAN AND CO. LLP CHENNAI

ABARNA & ANANTHAN FRN No 000003S BANGALORE CHARTERED ACCOUNTANTS

SHRIRAM CITY UNION FINANCE LTD. SANTHOME CHENNAI-4

SHRIRAM CITY UNION FINANCE LIMITED
CIN: L65191TN1986PLC012840
Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001
Website: www.shriramcity.in Email: secf@shriramcity.in

Notes:

1. The above financial results for the quarter and half year ended September 30, 2022 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their respective meetings held on October 21, 2022.
2. The above standalone financial results for the quarter and half year ended September 30, 2022 have been subjected to limited review by the Joint Statutory Auditors of the Company.
3. During the quarter, the Company allotted 1,66,901 equity shares of Rs.10/- each fully paid, on exercise of options vested to the employees under the Employees Stock Option Scheme 2013.
4. During the quarter, the Company granted 28,838 number of options to its eligible employees under the Employees Stock Option Scheme 2013.
5. The Board of Directors of the Company in its meeting held on December 13, 2021 has approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited) and the Company with Shriram Transport Finance Company Limited under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The said Scheme is effective upon approval of shareholders, creditors, Hon'ble National Company Law Tribunal, Reserve Bank of India and other regulatory and statutory approvals as applicable with an appointed date of April 1, 2022. The Company has received observation letters dated March 15, 2022 and March 16, 2022 from BSE Limited (designated Stock Exchange) and National Stock Exchange of India Ltd respectively. The Company has received no objection to the scheme from Reserve Bank of India vide its letter dated June 15, 2022. As per the directions of the Hon'ble National Company Law Tribunal, Chennai ("NCLT") in the common order dated May 11, 2022, the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors was held on July 6, 2022 and the scheme was approved by the requisite majority of the Equity Shareholders, Secured Creditors and Unsecured Creditors in their respective meetings. The Company has also received approval to the scheme from Competition Commission of India (CCI) vide its letter dated August 1, 2022. The Company Petition filed before the Hon'ble National Company Law Tribunal, Chennai Bench for sanction of the Scheme was listed for final hearing on October 19, 2022 which was heard and the order is awaited.
6. The principal business of the Company is financing activity. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the Ind AS 108 - 'Operating Segments'.
7. The Company's secured listed Non-Convertible Debentures (NCDs) aggregating to Rs. 6,96,674 lakhs as on September 30, 2022 are secured by way of first and exclusive charge on specific future receivables and on identified immovable properties of the Company in favour of respective Debenture Trustee(s) and the Company maintains 100% asset cover for the NCDs and interest thereon.
8. Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6,2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 Resolution of Covid-19 related stress of individuals and Small Businesses.

Rs. in lakhs

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position at the end of March 31, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	NPA as on March 31, 2022 - Upgraded during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position at the end of September 30, 2022
Personal Loans	24.29	-	-	1.47	-	22.82
Corporate persons	19,463.98	2,656.30	18.84	1,191.24	856.93	16,454.53
Of which, MSMEs	19,463.98	2,656.30	18.84	1,191.24	856.93	16,454.53
Others	3,155.93	573.39	11.72	164.35	202.16	2,608.63
Total	**22,644.20**	**3,229.69**	**30.56**	**1,357.06**	**1,059.09**	**19,085.98**

9. The Company has not acquired or transferred any loan not in default or any stressed loan during the half year ended September 30, 2022.

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SHRIRAM CITY UNION FINANCE LTD. CHENNAI

SHRIRAM CITY UNION FINANCE LIMITED
CIN: L65191TN1986PLC012840
Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001
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Notes:

10. In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at September 30, 2022 and accordingly, no amount is required to be transferred to impairment reserve.
11. The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.
12. Disclosures in compliance with Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and half year ended September 30, 2022 is attached as Annexure 1.
13. The figures for the previous quarter / period have been regrouped / rearranged; wherever necessary to conform to the current period presentation.
14. The above financial results are available at www.nseindia.com, www.bseindia.com and www.shriramcity.in.

By order of the Board
For Shriram City Union Finance Limited

Valamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Place: Chennai
Date : October 21, 2022

R. SUBRAMANIAN AND CO. LLP Chartered Accountants CHENNAI 600002

ABARNA & ANANTHAN FRN No 000003S BANGALORE CHARTERED ACCOUNTANTS

SHRIRAM CITY UNION FINANCE LTD. SANTHOME CHENNAI-4

SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Information as required by Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Annexure 1

S. No.	Particulars	Standalone					
		Quarter Ended			Half-Year Ended		Year Ended
		September 30, 2022 (Unaudited)	June 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	March 31, 2022 (Audited)
1	Debt - Equity ratio (times)	3.41	3.63	3.18	3.41	3.18	3.51
2	Outstanding redeemable preference share (no's)	Nil	Nil	Nil	Nil	Nil	Nil
3	Outstanding redeemable preference share (Rs. in lakhs)	Nil	Nil	Nil	Nil	Nil	Nil
4	Capital redemption reserve (Rs. in lakhs)	2,329	2,329	2,329	2,329	2,329	2,329
5	Debenture redemption reserve (Rs. in lakhs)	Nil	Nil	Nil	Nil	Nil	Nil
6	Securities Premium Account	1,83,978	1,81,380	1,75,919	1,83,978	1,75,919	1,80,705
7	Paid-up Equity Share Capital	6,687	6,670	6,606	6,687	6,606	6,663
8	Net worth (Rs. in lakhs)	9,47,033	9,07,423	8,31,854	9,47,033	8,31,854	8,72,797
9	Net profit after tax (Rs. in lakhs)	34,928	32,279	28,226	67,207	49,025	1,08,619
10	Earnings per equity share (Not annualised for interim periods)						
	Basic (Rs.)	52.31	48.42	42.75	100.73	74.26	164.16
	Diluted (Rs.)	51.54	47.92	42.29	99.46	73.51	163.17
11	Total debts to total assets	0.76	0.77	0.75	0.76	0.75	0.76
12	Net profit margin (%)	17.78%	17.52%	17.82%	17.65%	15.92%	16.63%
13	Sector specific equivalent ratios :						
	Capital adequacy ratio (%)	26.21%	26.59%	29.11%	26.21%	29.11%	26.78%
	Gross NPA ratio (%)	5.93%	6.11%	6.86%	5.93%	6.86%	6.31%
	Net NPA ratio (%)	3.29%	3.32%	3.47%	3.29%	3.47%	3.30%
	NPA provision coverage ratio (%)	46.11%	47.13%	51.24%	46.11%	51.24%	49.28%
	Leverage Ratio (times)	3.58	3.80	3.39	3.58	3.39	3.70
	Liquidity coverage ratio (%)	409.82%	599.63%	408.15%	409.82%	408.15%	353.63%

Notes:

1. **The following ratios are not applicable to the Company being NBFC:**
   Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating profit margin.
2. **Formulae for computation of Ratios**
   a.Debt - equity ratio = (Debt securities + Borrowings (other than debt securities) + Deposits) / Net worth.
   b.Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Deposits) / Total assets.
   c.Net profit margin = Net profit after tax / Total income.
   d.Capital adequacy ratio = Adjusted net worth / Risk weighted assets, calculated as per applicable RBI guidelines.
   e.Leverage ratio = Outside liabilities / Adjusted net worth , calculated as per applicable RBI guidelines.
   f.Gross NPA ratio (%) = Gross stage 3 loans / Gross loans.
   g.Net NPA ratio (%) = Net stage 3 loans / (Gross loans - ECL on stage 3 loans) where Net stage 3 loans = Gross stage 3 loans - ECL on stage 3 loans.
   h.NPA provision coverage ratio (%) = ECL on stage 3 loans / Gross stage 3 loans.
3. **Liquidity coverage ratio (LCR) is calculated as per circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No. 102/03.10.0001/2019-20 dated November 04, 2019 issued by Reserve Bank of India.**
4. **Net worth is calculated as defined in section 2(57) of Companies Act 2013.**
5. **Adjusted Net worth is the Net Owned Fund as per RBI guidelines.**
6. **NPA stands for Non-Performing Assets / Stage 3 Assets.**

By order of the Board
For Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Place: Chennai
Date : October 21, 2022

R. SUBRAMANIAN

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SHRIRAM CITY UNION FINANCE LTD. SANTHOME CHENNAI-4

Standalone Security Cover Certificate as per Regulation 54(3) of the SEBI (LODR) Regulations,2015 as on September 30, 2022

Rs in Lakhs

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
		Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge		Elimination on (amount in negative)			Related to only those items covered by this certificate				
Particulars	Description of asset for which this cerificate relate	Debt for which this certificate to being issued	Other Secured Debt	Debt for which this certificate to being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & Other debt with Pari- passu charge)	Other assets on which there is Pari-Passu charge (excluding items covered in Cloumn F)	Assets not offered as Security	Debt amount considered more than once (due to exclusive plus pari passu charge)	Debts not backed by any assets offered as security(applicable only for Liability side)	(Total C to J)	Market value for Assets charged on Exclusive basis	Carrying/ book value for exclusive charge asstes where market value is not ascertainable or applicable	Market value for Pari Passu Charge Assets	Carrying value/ book value for pari passu charge assets where market value is not ascertainable or applicable	Total Value(=L+M+N+O)
		Book Value	Book Value	Yes/ No	Book Value	Book Value							Relating to Cloumn F		
ASSETS															
Property, plant and equipment	Freehold Land	2.31					6,909.34			**6,911.65**		2.31			**2.31**
Capital work in Progress							-			-					-
Right-of-use assets							16,131.79			**16,131.79**					-
Goodwill										-					-
Intangible assets							230.19			**230.19**				-	-
Intangible assets under development							654.00			**654.00**					-
Investments							2,29,423.91			**2,29,423.91**					-
Loans	Loans/ Adavances (Net of Provisions and sell down Portfolio)	7,83,518.49	19,97,317.77				6,13,752.13			**33,94,588.39**		7,83,518.49			**7,83,518.49**
Inventories							-			-					-
Trade receivables							249.27			**249.27**					-
Cash and cash equivalents							4,55,825.18			**4,55,825.18**					-
Bank balance other than Cash and cash equivalents			1,08,986.82				124.90			**1,09,111.72**		-			-
Others							37,162.50			**37,162.50**					-
Total Assets		**7,83,520.80**	**21,06,304.59**	-	-	-	**13,60,463.21**	-	-	**42,50,288.60**	-	**7,83,520.80**	-	-	**7,83,520.80**
Liabilities															
Debt securities to which this certificate pertains		6,96,673.71		Yes			-			**6,96,673.71**					
Other debt sharing pari passu charge with above debt		Not to be Filed					-			-					
Other Debt							-			-					
Subordinated debt							-			-					
Borrowings			17,83,965.29				-			**17,83,965.29**					
Bank							-			-					
Debt Securities							-			-					
Deposits							-		7,50,562.81	**7,50,562.81**					
Other payables							-		5,626.99	**5,626.99**					
Lease liabilities							-		17,955.37	**17,955.37**					
Provisions							-		2,772.44	**2,772.44**					
Others							-		17,878.30	**17,878.30**					
Total Liabilities		**6,96,673.71**	**17,83,965.29**	-	-	-	-	-	**7,94,795.91**	**32,75,434.91**	-	-	-	-	-
Cover on Book value															1.12
Cover on Market value															

Exclusive Security Cover ratio	**1.12**	**Pari Passu Security Cover ratio**	-

Notes

We confirm that the Company has complied with the covenants mentioned in the disclosure documents of the Secured redeemable Non-convertible debentures for the period ended September 30,2022

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SHRIRAM CITY UNION FINANCE LTD. SANTHOME CHENNAI

Abarna and Ananthan.
Chartered Accountants
521, 3rd Main Rd, 2nd Phase, 6th Block,
Banashankari,
Bengaluru - 560085.

R. Subramanian and Company LLP
Chartered Accountants
New No. 6, Krishnaswany Avenue,
Luz, Mylapore,
Chennai – 600 004.

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of Shriram City Union Finance Limited Pursuant to the Regulation 33 and 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors of
Shriram City Union Finance Limited

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of Shriram City Union Finance Limited (the "Company") for the quarter ended September 30, 2022 and year to date results for the Period from April 1,2022 to September 30,2022 (the "Statement") attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 and 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. This statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ("IndAS") 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder, the Circulars, guidelines and directions issued by Reserve Bank of India("RBI") from time to time and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

R. SUBRAMANIAN

company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. **Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.**

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration Number:
000003S

CA (Mrs) Lalitha Rameswaran
Partner
M.No. 207867
UDIN: 2207867BANYDK6896

Place: Chennai
Date: October 21, 2022

ABARNA & ANANTHAN
FRN No
000003S
BANGALORE
CHARTERED ACCOUNTANTS

For R. Subramanian and Company LLP
Chartered Accountants
Firm Registration Number:
004137S/S200041

CA K. Jayasankar
Partner
M No 014156
UDIN: 22014156BAORJE7962

Place: Chennai
Date: October 21, 2022

SHRIRAM CITY UNION FINANCE LIMITED
CIN: L65191TN1986PLC012840
Regd Office: No 123, Angappa Naicken Street, Chennai - 600 001
Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Consolidated Financial Results for the Quarter and Half-Year ended September 30, 2022

Rs. in lakhs

S. No.	Particulars	Quarter Ended			Half-Year Ended		Year Ended
		September 30, 2022 (Unaudited)	June 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	March 31, 2022 (Audited)
1	**Revenue from operations**						
	Interest income	2,04,753	1,88,753	1,62,671	3,93,506	3,18,183	6,66,360
	Dividend income	-	118	-	118	185	185
	Fees and commission income	856	4,567	1,848	5,423	3,341	13,264
	Net gain on fair value changes	3,130	212	247	3,342	487	875
	Net gain on derecognition of financial instruments under amortised cost category	1,853	1,425	687	3,278	1,537	5,257
	Bad debts recovery	4,455	4,634	5,085	9,089	7,609	18,295
	Other operating income	474	497	258	971	406	1,307
	Total Revenue from Operations	**2,15,521**	**2,00,206**	**1,70,796**	**4,15,727**	**3,31,748**	**7,05,543**
2	**Other Income**	122	108	114	230	224	452
3	**Total Income (1 + 2)**	**2,15,643**	**2,00,314**	**1,70,910**	**4,15,957**	**3,31,972**	**7,05,995**
4	**Expenses**						
	Finance costs	82,832	75,587	68,594	1,58,419	1,33,037	2,81,312
	Fees and commission expenses	5,302	3,304	1,932	8,606	3,702	10,373
	Impairment on financial instruments	1,419	1,294	(318)	2,713	6,171	3,813
	Bad debts written off	21,565	21,791	20,438	43,356	43,095	86,009
	Employee benefit expenses	34,075	33,995	24,548	68,070	48,808	1,05,760
	Depreciation, amortisation and impairment	2,180	2,146	2,189	4,326	4,304	8,623
	Royalty	2,350	2,183	1,917	4,533	3,530	7,674
	Professional charges	3,237	4,424	3,336	7,661	6,549	13,610
	Other expenses	11,417	8,296	7,976	19,713	12,843	31,961
	Total Expenses	**1,64,377**	**1,53,020**	**1,30,612**	**3,17,397**	**2,62,129**	**5,49,135**
5	**Profit before exceptional items and Tax (3 - 4)**	**51,266**	**47,294**	**40,298**	**98,560**	**69,843**	**1,56,860**
6	Exceptional items	-	-	-	-	-	-
7	**Profit before Tax (5 + 6)**	**51,266**	**47,294**	**40,298**	**98,560**	**69,843**	**1,56,860**
8	**Tax Expenses**						
	Current tax	13,622	13,083	9,974	26,705	18,956	41,068
	Tax adjustment for earlier years	-	-	-	-	-	477
	Deferred tax	(807)	(1,216)	123	(2,023)	(1,332)	(1,160)
	Total Tax Expenses	**12,815**	**11,867**	**10,097**	**24,682**	**17,624**	**40,385**
9	**Profit for the period (7 - 8)**	**38,451**	**35,427**	**30,201**	**73,878**	**52,219**	**1,16,475**
10	**Other Comprehensive Income**						
	A. Items that will not be reclassified to profit or loss						
	Remeasurement gain / (loss) on defined benefit plan	(13)	(85)	(157)	(98)	(653)	(138)
	Gain / (loss) on fair valuation of quoted investments in equity shares	97	(1,965)	261	(1,868)	(216)	(2,171)
	Income tax provision / (reversal) relating to items that will not be reclassified to profit or loss	24	(1,158)	67	(1,134)	(56)	(541)
	Subtotal (A)	**60**	**(892)**	**37**	**(832)**	**(813)**	**(1,768)**
	B. Items that will be reclassified to profit or loss						
	Gain / (loss) on cash flow hedge	(31)	-	-	(31)	-	-
	Income tax relating to items that will be reclassified to profit or loss	(8)	-	-	(8)	-	-
	Subtotal (B)	**(23)**	-	-	**(23)**	-	-
	Other Comprehensive Income (A+B)	**37**	**(892)**	**37**	**(855)**	**(813)**	**(1,768)**
11	**Total Comprehensive Income for the period (9 + 10)**	**38,488**	**34,535**	**30,238**	**73,023**	**51,406**	**1,14,707**
12	**Profit for the period attributable to**						
	Owners of the Company	**37,941**	**34,975**	**29,847**	**72,916**	**51,682**	**1,15,177**
	Non - Controlling Interests	**510**	**452**	**354**	**962**	**537**	**1,298**
13	**Other Comprehensive Income for the period attributable to**						
	Owners of the Company	**39**	**(891)**	**37**	**(852)**	**(812)**	**(1,770)**
	Non - Controlling Interests	**(2)**	**(1)**	-	**(3)**	**(1)**	**2**
14	**Total Comprehensive Income for the period attributable to**						
	Owners of the Company	**37,980**	**34,084**	**29,884**	**72,064**	**50,870**	**1,13,407**
	Non - Controlling Interests	**508**	**451**	**354**	**959**	**536**	**1,300**
15	**Paid-up Equity Share Capital (Face value of Rs.10 per share)**	**6,687**	**6,670**	**6,606**	**6,687**	**6,606**	**6,663**
16	**Other Equity**						**9,21,182**
17	**Earning per equity share (Not annualised for interim periods)**						
	Basic (Rs.)	**56.81**	**52.47**	**45.21**	**109.28**	**78.29**	**174.07**
	Diluted (Rs.)	**55.99**	**51.92**	**44.72**	**107.91**	[illegible]	**173.02**

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SHRIRAM CITY UNION FINANCE LTD. SANTHOME CHENNAI-4

SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Consolidated Assets, Liabilities and Equity as at September 30, 2022

Rs. in lakhs

Particulars	As at September 30, 2022 (Unaudited)	As at March 31, 2022 (Audited)
I. ASSETS		
1. Financial Assets		
Cash and cash equivalents	4,70,725	5,26,909
Bank balance other than above	1,19,269	1,57,325
Derivative financial instruments	96	-
Receivables		
(I) Trade receivables	249	439
(II) Other receivables	36	-
Loans	39,48,932	35,54,600
Investments	1,83,352	1,30,948
Other financial assets	21,236	19,275
Total Financial Assets	**47,43,895**	**43,89,496**
2. Non-Financial Assets		
Current tax assets (net)	2,377	3,236
Deferred tax assets	18,723	15,166
Property, plant and equipment	7,875	6,955
Intangible assets	497	499
Intangible assets under development	654	-
Right of use assets	18,885	17,682
Other non-financial assets	21,450	22,742
Total Non-Financial Assets	**70,461**	**66,280**
Total Assets	**48,14,356**	**44,55,776**
II. LIABILITIES AND EQUITY		
Liabilities		
1. Financial Liabilities		
Derivative financial instruments	-	5
Payables		
(I)Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(II)Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	9	6
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7,238	5,303
Debt securities	7,76,802	7,04,844
Borrowings (other than debt securities)	22,01,013	20,66,369
Deposits	7,50,563	6,82,839
Other financial liabilities	38,998	38,558
Total Financial Liabilities	**37,74,623**	**34,97,924**
2. Non-Financial Liabilities		
Provisions	3,060	2,992
Deferred tax liabilities	3,578	3,186
Other non-financial liabilities	3,589	6,518
Total Non-Financial Liabilities	**10,227**	**12,696**
Total Liabilities	**37,84,850**	**35,10,620**
3. Equity		
Equity Share Capital	6,687	6,663
Other Equity	10,04,527	9,21,182
Equity attributable to Equity Holders of the Parent	**10,11,214**	**9,27,845**
Non-Controlling Interest	**18,292**	[illegible]
Total Equity	**10,29,506**	**9,45,156**
Total Liabilities and Equity	**48,14,356**	[illegible]

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SHRIRAM CITY UNION FINANCE LTD. CHENNAI-4

SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Consolidated Cash Flow for the Half-Year ended September 30, 2022

Rs. in lakhs

Particulars	Half-Year Ended	
	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	98,560	69,843
Adjustments for :		
Depreciation, amortisation and impairment	4,326	4,304
(Profit) / loss on sale of property, plant and equipment (net)	3	3
Bad debts written off	43,356	43,095
Impairment on financial instruments	2,713	6,171
Amortisation of premium on Government securities	560	30
Interest on lease liabilities	1,037	959
Interest Income on fair valuation of security deposits	(134)	-
Net (gain) / loss on sale of investments and fair value changes of Investment	(3,342)	(487)
Net (gain) / loss on derecognition of financial instruments under amortised cost category	(3,278)	(1,537)
Lease concessions received	(28)	(59)
Share based payments to employees	10,484	3,313
Dividend Income considered as cash flow from investing activity	(118)	(185)
Operating profit before working capital changes	**1,54,139**	**1,25,450**
Movements in Working capital:		
(Increase) / decrease in loans and advances	(4,28,371)	(1,63,631)
(Increase) / decrease in other non-financial assets	1,240	(3,368)
(Increase) / decrease in other financial assets	(340)	1,055
(Increase) / decrease in bank deposits	37,909	15,011
(Increase) / decrease in receivables	200	15
(Increase) / decrease in investments	(47,265)	(1,093)
Increase / (decrease) in other financial liabilities	592	146
Increase / (decrease) in other non-financial liabilities	(2,857)	15
Increase / (decrease) in other payables	1,613	(2,376)
Increase / (decrease) in other provisions	51	(456)
Cash generated from operations	**(2,83,089)**	**(29,232)**
Direct taxes paid (net of refunds)	(25,845)	(21,116)
Net Cash from / (used in) operating activities (A)	**(3,08,934)**	**(50,348)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(2,824)	(1,290)
Investment in mutual funds	(5,766)	(10,568)
Profit on sale of mutual funds	3,337	420
Capital advance for assets	72	48
Proceeds from sale of fixed assets	15	6
Dividend income	118	185
Proceeds from sale of security receipts	141	103
Investment in commercial Paper	(1,910)	(20,120)
Rights Issue expenses in Subsidiary	-	(54)
Net Cash from/(used in) investing activities (B)	**(6,817)**	**(31,270)**

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Statement of Unaudited Consolidated Cash Flow for the Half-Year ended September 30, 2022

Rs. in lakhs

Particulars	Half-Year Ended	
	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	844	228
Increase / (decrease) of debt securities	71,733	1,27,196
Increase / (decrease) of borrowings	1,23,261	(97,795)
Increase / (decrease) of deposits	67,724	82,239
Payment of lease liabilities	(3,995)	(3,604)
Dividend paid on equity shares	-	(15,181)
Net Cash from / (used in) financing activities (C)	**2,59,567**	**93,083**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(56,184)**	**11,465**
Cash and cash equivalents at the beginning of the year	**5,26,909**	**3,91,642**
Cash and cash equivalents at the end of the period	**4,70,725**	**4,03,107**

Rs. in lakhs

Components of cash and cash equivalents	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
Cash on hand	7,362	6,087
Balances with Banks		
- in current accounts	1,56,743	90,730
- in deposit accounts having original maturity less than three months	3,06,620	3,06,290
Total	**4,70,725**	**4,03,107**

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SHRIRAM CITY UNION FINANCE LTD. SAMTHOME CHENNAI-4

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Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001
Website: www.shriramcity.in Email: sect@shriramcity.in

Notes:

1. The above financial results for the quarter and half year ended September 30, 2022 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their respective meetings held on October 21, 2022.

2. The above consolidated financial results for the quarter and half year ended September 30, 2022 have been subjected to limited review by the Joint Statutory Auditors of the Company.

3. The Board of Directors of the Company in its meeting held on December 13, 2021 has approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited) and the Company with Shriram Transport Finance Company Limited under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The said Scheme is effective upon approval of shareholders, creditors, Hon'ble National Company Law Tribunal, Reserve Bank of India and other regulatory and statutory approvals as applicable with an appointed date of April 1, 2022. The Company has received observation letters dated March 15, 2022 and March 16, 2022 from BSE Limited (designated Stock Exchange) and National Stock Exchange of India Ltd respectively. The Company has received no objection to the scheme from Reserve Bank of India vide its letter dated June 15, 2022. As per the directions of the Hon'ble National Company Law Tribunal, Chennai ("NCLT") in the common order dated May 11, 2022, the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors was held on July 6, 2022 and the scheme was approved by the requisite majority of the Equity Shareholders, Secured Creditors and Unsecured Creditors in their respective meetings. The Company has also received approval to the scheme from Competition Commission of India (CCI) vide its letter dated August 1, 2022.The Company Petition filed before the Hon'ble National Company Law Tribunal, Chennai Bench for sanction of the Scheme was listed for final hearing on October 19, 2022 which was heard and the order is awaited.

4. The principal business of the Group is financing activity. Further, all activities are carried out within India. Details of Reportable segments as per Ind AS 108 - 'Operating Segments" is attached in Annexure 1.

5. The Group's secured listed Non-Convertible Debentures (NCDs) aggregating to Rs.7,70,999 lakhs as on September 30, 2022 are secured by way of first and exclusive charge on specific future receivables and on identified immovable properties of the Groups in favour of respective Debenture Trustee(s) and the Group maintains 100% asset cover for the NCDs and interest thereon.

6. Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6,2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021: Resolution of Covid-19 related stress of individuals and Small Businesses.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position at the end of March 31, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	NPA as on March 31, 2022 - Upgraded during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position at the end of September 30, 2022
Personal Loans	14,033.27	1,717.40	-	444.03	523.35	12,395.19
Corporate persons	19,463.98	2,656.30	18.84	1,191.24	856.93	16,454.53
Of which, MSMEs	19,463.98	2,656.30	18.84	1,191.24	856.93	16,454.53
Others	3,155.93	573.39	11.72	164.35	202.16	2,608.63
Total	**36,653.18**	**4,947.09**	**30.56**	**1,799.62**	**1,582.44**	**31,458.35**

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Notes:

7. The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Group towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.
8. Disclosures in compliance with Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and half year ended September 30, 2022 is attached as Annexure 2.
9. The consolidated financial results relates to M/s Shriram City Union Finance Limited ("Company") and its subsidiary ("Shriram Housing Finance Limited") (together hereinafter referred to as "Group").
10. The figures for the previous quarter/ period have been regrouped/ rearranged; wherever necessary to conform to the current period presentation.
11. The above financial results are available at www.nseindia.com, www.bseindia.com and www.shriramcity.in.

By order of the Board
For Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarthi
Managing Director & CEO
DIN: 00052308

Place: Chennai
Date: October 21, 2022

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SHRIRAM CITY UNION FINANCE LTD. SANTHOME CHENNAI-4

SHRIRAM CITY UNION FINANCE LIMITED
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Segment wise Revenue, Results and Capital Employed for Consolidated financial results under Listing Regulations, 2015

Annexure I

Rs. in lakhs

S. No.	Particulars	Quarter Ended			Half-Year Ended		Year Ended
		September 30, 2022 (Unaudited)	June 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	March 31, 2022 (Audited)
1	**Segment Revenue**						
	Retail Finance	1,96,435	1,84,266	1,58,425	3,80,701	3,07,981	6,53,039
	Housing Finance	19,137	16,011	12,392	35,148	23,815	53,164
	Unallocable revenue	71	37	93	108	176	(208)
	Total	**2,15,643**	**2,00,314**	**1,70,910**	**4,15,957**	**3,31,972**	**7,05,995**
2	**Segment Results (Profit / Loss before tax)**						
	Retail Finance	46,569	43,131	37,656	89,700	65,576	1,46,124
	Housing Finance	4,576	4,036	2,545	8,612	4,038	10,914
	Unallocable	121	127	97	248	229	(178)
	Total	**51,266**	**47,294**	**40,298**	**98,560**	**69,843**	**1,56,860**
3	**Segment Assets**						
	Retail Finance	42,50,289	42,73,075	35,49,442	42,50,289	35,49,442	40,06,765
	Housing Finance	6,31,670	5,68,785	4,23,615	6,31,670	4,23,615	5,16,834
	Other Unallocable assets	(67,603)	(67,724)	(37,444)	(67,603)	(37,444)	(67,823)
	Total	**48,14,356**	**47,74,136**	**39,35,613**	**48,14,356**	**39,35,613**	**44,55,776**
4	**Segment Liabilities**						
	Retail Finance	32,75,435	33,38,913	26,94,527	32,75,435	26,94,527	31,09,517
	Housing Finance	5,09,415	4,49,966	3,43,003	5,09,415	3,43,003	4,01,075
	Other Unallocable liabilities	-	-	-	-	-	28
	Total	**37,84,850**	**37,88,879**	**30,37,530**	**37,84,850**	**30,37,530**	**35,10,620**
5	**Capital Employed (Segment Assets - Segment Liabilities)**						
	Retail Finance	9,74,854	9,34,162	8,54,915	9,74,854	8,54,915	8,97,248
	Housing Finance	1,22,255	1,18,819	80,612	1,22,255	80,612	1,15,759
	Other Unallocable assets minus liabilities	(67,603)	(67,724)	(37,444)	(67,603)	(37,444)	(67,851)
	Total	**10,29,506**	**9,85,257**	**8,98,083**	**10,29,506**	**8,98,083**	**9,45,156**

Note:

1. The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'.
2. In Computing the segment information, Certain estimates and assumptions have been made by the management, which have been relied upon by the Joint Statutory Auditors.
3. Segment information for the previous periods has been restated/regrouped/re-classified wherever necessary, to conform to the current period presentation.

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SHRIRAM CITY UNION FINANCE LTD. SANDHOME CHENNAI-4

SHRIRAM CITY UNION FINANCE LIMITED
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Information as required by Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Annexure 2

S. No	Particulars	Consolidated					
		Quarter Ended			Half-Year Ended		Year Ended
		September 30, 2022 (Unaudited)	June 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	March 31, 2022 (Audited)
1.	Debt - Equity ratio (times)	3.79	3.97	3.48	3.79	3.48	3.83
2.	Outstanding redeemable preference share (no's)	Nil	Nil	Nil	Nil	Nil	Nil
3.	Outstanding redeemable preference share (Rs. in Lakhs)	Nil	Nil	Nil	Nil	Nil	Nil
4.	Capital redemption reserve (Rs. in Lakhs)	2,329	2,329	2,329	2,329	2,329	2,329
5.	Debenture redemption reserve (Rs. in Lakhs)	Nil	Nil	Nil	Nil	Nil	Nil
6.	Securities Premium Account	1,94,260	1,91,665	1,85,761	1,94,260	1,85,761	1,90,989
7.	Paid-up Equity Share Capital	6,687	6,670	6,606	6,687	6,606	6,663
8.	Net worth (Rs. in Lakhs)	9,82,774	9,40,068	8,59,058	9,82,774	8,59,058	9,02,734
9.	Net profit after tax (Rs. in Lakhs)	38,451	35,427	30,201	73,878	52,219	1,16,475
10.	Earnings per equity share (Not annualized for interim periods)						
	Basic (Rs.)	56.81	52.47	45.21	109.28	78.29	174.07
	Diluted (Rs.)	55.99	51.92	44.72	107.91	77.49	173.02
11.	Total debts to total assets	0.77	0.78	0.76	0.77	0.76	0.78
12.	Net profit margin (%)	17.83%	17.69%	17.67%	17.76%	15.73%	16.50%
13.	Sector specific equivalent ratios :						
	(i) Capital adequacy ratio (%)						
	(a) SCUF	26.21%	26.59%	29.11%	26.21%	29.11%	26.78%
	(b) SHFL	27.27%	29.56%	24.86%	27.27%	24.86%	30.89%
	(ii) Gross NPA ratio (%)						
	(a) SCUF	5.93%	6.11%	6.86%	5.93%	6.86%	6.31%
	(b) SHFL	1.52%	1.56%	1.91%	1.52%	1.91%	1.72%
	(iii) Net NPA ratio (%)						
	(a) SCUF	3.29%	3.32%	3.47%	3.29%	3.47%	3.30%
	(b) SHFL	1.16%	1.19%	1.48%	1.16%	1.48%	1.32%
	(iv) NPA provision coverage ratio (%)						
	(a) SCUF	46.11%	47.13%	51.24%	46.11%	51.24%	49.28%
	(b) SHFL	24.27%	23.52%	22.67%	24.27%	22.67%	23.40%

Notes:

1. **The following ratios are not applicable to the company being NBFC:**
   Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover, Operating margin, Liquidity Coverage ratio and Leverage ratio.
2. **Formulae for computation of Ratios**
   a. Debt - equity ratio = (Debt securities + Borrowings (other than debt securities) + Deposits) / Networth.
   b. Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Deposits) / total assets.
   c. Net profit margin = Net profit after tax / total income.
   d. Capital adequacy ratio = Adjusted net worth / Risk weighted assets, calculated under Ind AS as per applicable RBI/NHB guidelines.
   e. Gross NPA ratio (%) = Gross stage 3 loans / Gross loans.
   f. Net NPA ratio (%) = Net stage 3 loans / (Gross loans - ECL on stage 3 loans) where Net stage 3 loans = Gross stage 3 loans - ECL on stage 3 loans.
   g. NPA provision coverage ratio (%) = ECL on stage 3 loans / Gross stage 3 loans.
3. **Networth is calculated as defined in section 2(57) of Companies Act 2013.**
4. **NPA Stands for Non-Performing Assets / Stage 3 Assets.**

By order of the Board
For Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Place: Chennai
Date : October 21, 2022

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SHRIRAM CITY UNION FINANCE LTD. SANTHOME CHENNAI-4

Consolidated Security Cover Certificate as per Regulation 54(3) of the SEBI (LODR) Regulations,2015 as on September 30, 2022

Rs in Lakhs

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
		Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge		Elimination on (amount in negative)			Related to only those items covered by this certificate				
Particulars	Description of asset for which this cerificate relate	Debt for which this certificate to being issued	Other Secured Debt	Debt for which this certificate to being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & Other debt with Pari- passu charge)	Other assets on which there is Pari-Passu charge (excluding items covered in Cloumn F)	Assets not offered as Security	Debt amount considered more than once (due to exclusive plus pari passu charge)	Debts not backed by any assets offered as security(applicable only for Liability side)	(Total C to J)	Market value for Assets charged on Exclusive basis	Carrying/ book value for exclusive charge assets where market value is not ascertainable or applicable	Market value for Pari Passu Charge Assets	Carrying value/ book value for pari passu charge assets where market value is not ascertainable or applicable	Total Value(=L+M+N+O)
		Book Value	Book Value	Yes/ No	Book Value	Book Value							Relating to Cloumn F		
ASSETS															
Property, plant and equipment	Freehold Land	2.59					7,872.71			**7,875.30**		2.59		-	**2.59**
Capital work in Progress							-			-					-
Right-of-use assets							18,885.18			**18,885.18**					-
Goodwill										-					-
Intangible assets							496.74			**496.74**					-
Intangible assets under development							654.00			**654.00**					-
Investments							1,83,352.48			**1,83,352.48**					-
Loans	Loans/ Adavances (Net of Provisions and sell down Portfolio)	8,59,088.68	24,56,366.06				6,44,334.67	(10,857.05)		**39,48,932.36**		8,59,088.68			**8,59,088.68**
Inventories							-			-					-
Trade receivables							249.27			**249.27**					-
Other receivables							35.40			**35.40**					
Cash and cash equivalents							4,70,724.54			**4,70,724.54**					-
Bank balance other than Cash and cash equivalents			1,12,121.52				7,147.09			**1,19,268.61**		-			-
Others							63,881.65			**63,881.65**					-
Total Assets		**8,59,091.27**	**25,68,487.58**	-	-	-	**13,97,633.73**	**(10,857.05)**	-	**48,14,355.53**	-	**8,59,091.27**	-	-	**8,59,091.27**
Liabilities															
Debt securities to which this certificate pertains		7,70,998.51		Yes			-		5,803.94	**7,76,802.45**					
Other debt sharing pari passu charge with above debt							-			-					
Other Debt							-			-					
Subordinated debt							-			-					
Borrowings			22,00,044.37				-		968.20	**22,01,012.57**					
Bank		Not to be Filed					-			-					
Debt Securities							-			-					
Deposits							-		7,50,562.81	**7,50,562.81**					
Other payables							-		7,247.16	**7,247.16**					
Lease liabilities							-		20,754.12	**20,754.12**					
Provisions							-		3,059.71	**3,059.71**					
Others							-		25,410.69	**25,410.69**					
Total Liabilities		**7,70,998.51**	**22,00,044.37**	-	-	-	-	-	**8,13,806.63**	**37,84,849.51**	-	-	-	-	-
Cover on Book value															1.11
Cover on Market value															

Exclusive Security Cover ratio	1.11	**Pari Passu Security Cover ratio**	-

Notes

We confirm that the Group has complied with the covenants mentioned in the disclosure documents of the Secured redeemable Non-convertible debentures for the period ended September 30,2022

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SHRIRAM CITY UNION FINANCE LTD. SAINTHOME CHENNAI-4

Abarna and Ananthan.
Chartered Accountants
521, 3rd Main Rd, 2nd Phase, 6th Block,
Banashankari,
Bengaluru - 560085.

R. Subramanian and Company LLP
Chartered Accountants
New No. 6, Krishnaswany Avenue,
Luz, Mylapore,
Chennai – 600 004.

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of Shriram City Union Finance Limited Pursuant to the Regulation 33 and 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors of
Shriram City Union Finance Limited

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of Shriram City Union Finance Limited (the "Holding Company") and its subsidiary (the Holding Company and its subsidiary collectively referred to as 'the Group') for the quarter ended September 30, 2022 and year to date results for the Period from April 1,2022 to September 30,2022 (the "Statement") attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 and 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. This statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ("IndAS") 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder, the Circulars, guidelines and directions issued by Reserve Bank of India("RBI") from time to time and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular Issued by the SEBI under Regulation 33 (8) of the Listing Regulations, as amended, to the extent applicable.

4. The Statement includes the unaudited financial results/ information of the following entities:

Name of the Entity	Relationship
Shriram City Union Finance Limited	Holding Company
Shriram Housing Finance Limited	Subsidiary Company

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

OTHER MATTER

6. We did not review the financial results of the subsidiary included in the Statement, whose financial results reflect total revenues of Rs. 19,138 Lakhs and Rs. 35,148 Lakhs and total net profit after tax of Rs. Rs. 3,403 Lakhs and 6,423 Lakhs and total comprehensive income of Rs. 3,386 Lakhs and 6,398 Lakhs for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022, respectively. These financial results have been reviewed by other auditors whose

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reports have been furnished to us by the Management of the Holding Company and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on Statement is not modified in respect of the above matter.

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration Number: 000003S

CA (Mrs) Lalitha Rameswaran
Partner
M.No. 207867
UDIN: 22207867BAOGBV6460

Place: Chennai
Date: October 21, 2022

ABARNA & ANANTHAN
FRN No
000003S
BANGALORE
CHARTERED ACCOUNTANTS

For R. Subramanian and Company LLP
Chartered Accountants
Firm Registration Number: 004137S/S200041

CA K. Jayasankar
Partner
M No 014156
UDIN: 22014156BAORWG5718

Place: Chennai
Date: October 21, 2022

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

SEC/FILING/BSE-NSE/22-23/68A-B

May 12, 2022

BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001.
Scrip Code: 511218

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor,
Plot no. C/1, G- Block,
Bandra-Kurla Complex,
Mumbai – 400 051.
NSE Symbol: SRTRANSFIN

Dear Sirs,

Sub.: Disclosure of Related Party Transactions pursuant to Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

In furtherance to our letters dated April 28, 2022 and April 29, 2022, please find enclosed herewith updated disclosure of related party transactions for the half-year ended March 31, 2022 pursuant to Regulation 23(9) of the Listing Regulations with certain additional information.

Kindly take the same on record.

Thanking you.

Yours faithfully,

For **SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**

VIVEK ACHWAL
COMPANY SECRETARY
Enc.a/a

Disclosure of Related Party Transactions under regulation 23 of SEBI (LODR) Regulations, 2015 for six months ended 31st March, 2022.

(Rs in Crores)

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			Details of Counterparty						In case monies are due to either party as a result of transaction		in case any financial indebtness is incurred to make or give loans, inter corporate deopsits, advances or investments			Details of the loans, inter corporate deposit, advances or investments				
S no.	Name	PAN	Name	PAN	Relationship of counterparty with the listed entity or its subsidiary	Type of related party transaction	Value of Related party transaction as approved by the audit committee	Value of transaction during the reporting period	Opening balance	Closing balance	Nature of indebtness (loan/ issuance of debts/any others etc)	cost	Tenure	Nature (loan/advances/inter corporate deposit/ investment)	Interest rate %	Tenure	Secured / unsecured	Purpose for which the fund will be utilised by the ultimate recipient of fund
1	STFC*		Shriram Capital Limited		Promoter	Equity dividend paid	139.49	139.49	-	-	-	-	-	-	-	-	-	-
2	STFC*		Shriram Capital Limited		Promoter	Received Warrant Exercise Price towards conversion of warrants into equity shares	250.00	187.50	62.50	-	-	-	-	-	-	-	-	-
3	STFC*		Shriram Capital Limited		Promoter	Service Charges paid	50.00	23.09	12.57	11.41	-	-	-	-	-	-	-	-
4	STFC*		Shriram Capital Limited		Promoter	Received towards rent, electricity and common sharing expense	0.25	0.09			-	-	-	-	-	-	-	-
5	STFC*		Shriram Capital Limited		Promoter	Received towards Reimbursement of expenses	0.01	0.01	-	-	-	-	-	-	-	-	-	-
6	STFC*		Shriram Value Services Limited		Promoter Group	License Fees paid	187.67	120.25	59.98	77.85	-	-	-	-	-	-	-	-
7	STFC*		Novac Technology Solutions (P) Limited		Promoter Group	Voice call services ,IT & BPO charges paid	100.00	26.51	9.03	1.96	-	-	-	-	-	-	-	-
8	STFC*		Shriram Asset Management Company Limited		Promoter Group	Rent paid	0.10	0.01	-	-	-	-	-	-	-	-	-	-
9	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Insurance premium paid	10.00	2.96	-	-	-	-	-	-	-	-	-	-
10	STFC*		Shriram General Insurance Company Limited		Promoter Group	Insurance premium paid	10.00	2.09	-	-	-	-	-	-	-	-	-	-
11	STFC*		Shriram Fortune Solutions Limited		Promoter Group	Commission & sales promotion paid	110.00	45.97	9.05	6.37	-	-	-	-	-	-	-	-
12	STFC*		Shriram Financial Products Solutions (Chennai) Private Limited		Promoter Group	Commission & sales promotion paid	15.00	6.81	0.30	1.85	-	-	-	-	-	-	-	-
13	STFC*		Shriram Insight Share Brokers Limited		Promoter Group	Commission & sales promotion paid	15.00	4.71	0.69	0.65	-	-	-	-	-	-	-	-
14	STFC*		Shriram Wealth Limited		Promoter Group	Commission & sales promotion paid	5.00	1.17	0.81	0.08	-	-	-	-	-	-	-	-

(Rs in Crores)

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15	STFC*		Way2wealth Securities Pvt. Ltd		Promoter Group	Commission & sales promotion paid	2.00	0.12	0.08	0.08	-	-	-	-	-	-	-	-
16	STFC*		Shriram Asset Management Company Limited		Promoter Group	Interest on fixed deposit paid	At applicable rates on respective deposits	0.12	-	-	-	-	-	-	-	-	-	-
17	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Interest on subordinated debt paid	At applicable rates on respective sub debts	10.52	-	-	-	-	-	-	-	-	-	-
18	STFC*		Shriram General Insurance Company Limited		Promoter Group	Interest on subordinated debt paid	At applicable rates on respective sub debts	13.77	-	-	-	-	-	-	-	-	-	-
19	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Interest on non-convertible debenture paid	At applicable rates on respective NCDs	0.87	-	-	-	-	-	-	-	-	-	-
20	STFC*		Shriram Asset Management Company Limited		Promoter Group	Interest on non-convertible debenture paid	At applicable rates on respective NCDs	1.15	-	-	-	-	-	-	-	-	-	-
21	STFC*		Shriram Financial Ventures (Chennai) Private Limited		Promoter Group	Equity dividend paid	0.05	0.05	-	-	-	-	-	-	-	-	-	-
22	STFC*		Shriram Asset Management Company Limited		Promoter Group	Non convertible debenture redeemed	12.02	12.02	-	-	-	-	-	-	-	-	-	-
23	STFC*		Shriram Asset Management Company Limited		Promoter Group	Fixed deposit repaid	0.75	0.75	-	-	-	-	-	-	-	-	-	-
24	STFC*		Shriram Insight Share Brokers Limited		Promoter Group	Recovery of common sharing expenses	5.00	0.01	-	-	-	-	-	-	-	-	-	-
25	STFC*		Shriram Fortune Solutions Limited		Promoter Group	Recovery of common sharing expenses	1.50	0.42	-	-	-	-	-	-	-	-	-	-
26	STFC*		Novac Technology Solutions (P) Limited		Promoter Group	Received towards Sale of Asset	0.00	0.00	-	-	-	-	-	-	-	-	-	-
27	STFC*		Shriram General Insurance Company Limited		Promoter Group	Commission received	33.08	15.04	3.31	3.21	-	-	-	-	-	-	-	-

(Rs in Crores)

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28	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Commission received	16.52	9.32	1.15	1.46	-	-	-	-	-	-	-	-
29	STFC*		Shriram Asset Management Company Limited		Promoter Group	Fixed deposit accepted	14.76	14.76	-	-	-	-	-	-	-	-	-	-
30	STFC*		Shriram Automall India Limited		Associates	Rent & other administrative expense paid	35.00	11.74	-	-	-	-	-	-	-	-	-	-
31	STFC*		Shriram Automall India Limited		Associates	Business Mobilisation expense	2.00	0.04	-	-	-	-	-	-	-	-	-	-
32	STFC*		Adroit Inspection Service Private Limited		Associates	Commission paid	3.00	1.10	-	-	-	-	-	-	-	-	-	-
33	STFC*		Shriram Automall India Limited		Associates	Unsecured loan and advances repaid	12.20	12.20	-	-	-	-	-	-	-	-	-	-
34	STFC*		Shriram Automall India Limited		Associates	Interest on Inter corporate Deposit paid	0.20	0.20	-	-	-	-	-	-	-	-	-	-
35	STFC*		Adroit Inspection Service Private Limited		Associates	Valuation charges paid	2.00	0.00	-	-	-	-	-	-	-	-	-	-
36	STFC*		Shriram Automall India Limited		Associates	Interest on non-convertible debenture paid	At applicable rates on respective NCDs	1.28	-	-	-	-	-	-	-	-	-	-
37	STFC*		Shriram Automall India Limited		Associates	Non convertible debenture redeemed	4.18	4.18	-	-	-	-	-	-	-	-	-	-
38	STFC*		Shriram Automall India Limited		Associates	Inter corporate deposit repaid	3.80	3.80	-	-	-	-	-	-	-	-	-	-
39	STFC*		Shriram Automall India Limited		Associates	Recovery of common sharing expenses	2.00	0.24	-	-	-	-	-	-	-	-	-	-
40	STFC*		Shriram Automall India Limited		Associates	Received towards Rent & electricity	7.00	2.11	-	-	-	-	-	-	-	-	-	-

(Rs in Crores)

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41	STFC*		Shriram Automall India Limited		Associates	Fixed deposit accpeted	5.00	5.00	-	-	-	-	-	-	-	-	-	-
42	STFC*		Shriram Automall India Limited		Associates	Inter corporate deposit accepted	30.25	30.25	-	-	-	-	-	-	-	-	-	-
43	STFC*		Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme		Other related party	Employer contribution to employees group gratuity assurance scheme	10.00	3.28	-	-	-	-	-	-	-	-	-	-
44	STFC*		Mr. Umesh Revankar		KMP #	Employee benefit expenses	0.87	0.87	-	-	-	-	-	-	-	-	-	-
45	STFC*		Mr. Nilesh Odedara		KMP #	Employee benefit expenses	0.32	0.32	-	-	-	-	-	-	-	-	-	-
46	STFC*		Mr. P.Sridharan		KMP #	Employee benefit expenses	0.32	0.32	-	-	-	-	-	-	-	-	-	-
47	STFC*		Mr. S.Sunder		KMP #	Employee benefit expenses	0.32	0.32	-	-	-	-	-	-	-	-	-	-
48	STFC*		Mr. Parag Sharma		KMP #	Employee benefit expenses	0.25	0.25	-	-	-	-	-	-	-	-	-	-
49	STFC*		Mr. U.Balasundara Rao		KMP #	Employee benefit expenses	0.33	0.33	-	-	-	-	-	-	-	-	-	-
50	STFC*		Mr. Sudarshan Holla		KMP #	Employee benefit expenses	0.33	0.33	-	-	-	-	-	-	-	-	-	-
51	STFC*		Mr. Hardeep Singh Tur		KMP #	Employee benefit expenses	0.33	0.33	-	-	-	-	-	-	-	-	-	-
52	STFC*		Mr. S. Lakshminarayanan		KMP #	Commission & sitting fee paid to directors	0.10	0.10	-	-	-	-	-	-	-	-	-	-
53	STFC*		Mrs. Kishori Udeshi		KMP #	Commission & sitting fee paid to directors	0.07	0.07	-	-	-	-	-	-	-	-	-	-
54	STFC*		Mr. S. Sridhar		KMP #	Commission & sitting fee paid to directors	0.08	0.08	-	-	-	-	-	-	-	-	-	-
55	STFC*		Mr. Pradeep Kumar Panja		KMP #	Commission & sitting fee paid to directors	0.09	0.09	-	-	-	-	-	-	-	-	-	-

(Rs in Crores)

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56	STFC*		Mr. Umesh Revankar		KMP #	Interest on non-convertible debenture paid	At applicable rates on respective deposits & NCDs	0.62	-	-	-	-	-	-	-	-	-	-
57	STFC*		Mr. Pradeep Kumar Panja		KMP #	Interest on non-convertible debenture paid		0.02	-	-	-	-	-	-	-	-	-	-
58	STFC*		Mr. S. Sridhar		KMP #	Interest on non-convertible debenture paid		0.02	-	-	-	-	-	-	-	-	-	-
59	STFC*		Mrs. Geeta G. Revankar		Relatives of KMP	Interest on fixed deposit paid		0.01	-	-	-	-	-	-	-	-	-	-
60	STFC*		Mr. Shreyas U. Revankar		Relatives of KMP	Interest on fixed deposit paid		0.00	-	-	-	-	-	-	-	-	-	-
61	STFC*		Mrs. S. Arulmozhi		Relatives of KMP	Interest on fixed deposit paid		0.00	-	-	-	-	-	-	-	-	-	-
62	STFC*		Mr. Jayendra Purshottamdas Udeshi		Relatives of KMP	Interest on fixed deposit paid		0.02	-	-	-	-	-	-	-	-	-	-
63	STFC*		Mrs. Rama Sharma		Relatives of KMP	Interest on fixed deposit paid		0.02	-	-	-	-	-	-	-	-	-	-
64	STFC*		Mrs. Sujatha Sunder		Relatives of KMP	Interest on fixed deposit paid		0.00	-	-	-	-	-	-	-	-	-	-
65	STFC*		Mrs. P Suchitra		Relatives of KMP	Interest on non-convertible debenture paid		0.01	-	-	-	-	-	-	-	-	-	-
66	STFC*		Mrs. P Surekha		Relatives of KMP	Interest on non-convertible debenture paid		0.02	-	-	-	-	-	-	-	-	-	-
67	STFC*		Mr. Parag Sharma		KMP #	Equity dividend paid	0.09	0.09	-	-	-	-	-	-	-	-	-	-
68	STFC*		Mr. S.Sunder		KMP #	Equity dividend paid	0.00	0.00	-	-	-	-	-	-	-	-	-	-
69	STFC*		Mr. P.Sridharan		KMP #	Equity dividend paid	0.00	0.00	-	-	-	-	-	-	-	-	-	-
70	STFC*		Mr. Sudarshan Holla		KMP #	Equity dividend paid	0.00	0.00	-	-	-	-	-	-	-	-	-	-
71	STFC*		Mr. U.Balasundara Rao		KMP #	Equity dividend paid	0.00	0.00	-	-	-	-	-	-	-	-	-	-
72	STFC*		Mr. Anil G. Revankar		Relatives of KMP	Equity dividend paid	0.00	0.00	-	-	-	-	-	-	-	-	-	-

(Rs in Crores)

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73	STFC*		Mr. Umesh Revankar		KMP #	Non convertible debenture redeemed		2.00	-	-	-	-	-	-	-	-	-	-
74	STFC*		Mr. Pradeep Kumar Panja		KMP #	Non convertible debenture redeemed		0.05	-	-	-	-	-	-	-	-	-	-
75	STFC*		Mr. S. Sridhar		KMP #	Non convertible debenture redeemed		0.08	-	-	-	-	-	-	-	-	-	-
76	STFC*		Mrs. Geeta G. Revankar		Relatives of KMP	Fixed deposit repaid	5.00	0.03	-	-	-	-	-	-	-	-	-	-
77	STFC*		Mr. Shreyas U. Revankar		Relatives of KMP	Fixed deposit repaid		0.01	-	-	-	-	-	-	-	-	-	-
78	STFC*		Mrs. Rama Sharma		Relatives of KMP	Fixed deposit repaid		0.22	-	-	-	-	-	-	-	-	-	-
79	STFC*		Mrs. P Suchitra		Relatives of KMP	Non convertible debenture redeemed		0.03	-	-	-	-	-	-	-	-	-	-
80	STFC*		Mrs. P Surekha		Relatives of KMP	Non convertible debenture redeemed		0.05	-	-	-	-	-	-	-	-	-	-
81	STFC*		Mr. Hardeep Singh Tur		KMP #	Fixed deposit accepted		0.01	-	-	-	-	-	-	-	-	-	-
82	STFC*		Mrs. Geeta G. Revankar		Relatives of KMP	Fixed deposit accepted		0.03	-	-	-	-	-	-	-	-	-	-
83	STFC*		Mr. Shreyas U. Revankar		Relatives of KMP	Fixed deposit accepted	10.00	0.02	-	-	-	-	-	-	-	-	-	-
84	STFC*		Mr. Shirish U. Revankar		Relatives of KMP	Fixed deposit accepted		0.01	-	-	-	-	-	-	-	-	-	-
85	STFC*		Mrs. P Suchitra		Relatives of KMP	Fixed deposit accepted		0.05	-	-	-	-	-	-	-	-	-	-
86	STFC*		Mrs. Rama Sharma		Relatives of KMP	Fixed deposit accepted		0.24	-	-	-	-	-	-	-	-	-	-
87	STFC*		Shriram Capital Limited		Promoter	Share capital	70.44	-	68.70	70.44	-	-	-	-	-	-	-	-
88	STFC*		Shriram Value Services Limited		Promoter Group	Share capital	1.06	-	-	1.06	-	-	-	-	-	-	-	-
89	STFC*		Shriram Financial Ventures (Chennai) Private Limited		Promoter Group	Share capital	0.06	-	0.06	-	-	-	-	-	-	-	-	-
90	STFC*		Mr. Parag Sharma		KMP #	Share capital	0.05	-	-	0.05	-	-	-	-	-	-	-	-
91	STFC*		Mr. S.Sunder		KMP #	Share capital	0.00	-	-	0.00	-	-	-	-	-	-	-	-
92	STFC*		Mr. P.Sridharan		KMP #	Share capital	0.00	-	-	0.00	-	-	-	-	-	-	-	-

(Rs in Crores)

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93	STFC*		Mr. Sudarshan Holla		KMP #	Share capital	0.00	-	-	0.00	-	-	-	-	-	-	-	-
94	STFC*		Mr. U.Balasundara Rao		KMP #	Share capital	0.00	-	-	0.00	-	-	-	-	-	-	-	-
95	STFC*		Mr. Anil G. Revankar		Relatives of KMP	Share capital	0.00	-	0.00	0.00	-	-	-	-	-	-	-	-
96	STFC*		Shriram Automall India Limited		Associates	Investment in equity shares	13.37	-	13.37	13.37	-	-	-	-	-	-	-	-
97	STFC*		Shriram Automall India Limited		Associates	Unsecured loan and advances payable	20.00	-	2.37	0.91	-	-	-	-	-	-	-	-
98	STFC*		Mrs. Kishori Udeshi		KMP #	Fixed deposit accepted	1.27	-	1.21	1.27	-	-	-	-	-	-	-	-
99	STFC*		Mr. Pradeep Kumar Panja		KMP #	Fixed deposit accepted	0.06	-	0.05	0.06	-	-	-	-	-	-	-	-
100	STFC*		Mr. S. Sridhar		KMP #	Fixed deposit accepted	0.11	-	0.10	0.11	-	-	-	-	-	-	-	-
101	STFC*		Mr. Parag Sharma		KMP #	Fixed deposit accepted	0.00	-	-	0.00	-	-	-	-	-	-	-	-
102	STFC*		Mr. Hardeep Singh Tur		KMP #	Fixed deposit accepted	0.03	-	-	0.03	-	-	-	-	-	-	-	-
103	STFC*		Mrs. Geeta G. Revankar		Relatives of KMP	Fixed deposit accepted	0.10	-	0.10	0.09	-	-	-	-	-	-	-	-
104	STFC*		Mr. Shreyas U. Revankar		Relatives of KMP	Fixed deposit accepted	0.06	-	0.05	0.06	-	-	-	-	-	-	-	-
105	STFC*		Mr. Shirish U. Revankar		Relatives of KMP	Fixed deposit accepted	0.04	-	0.03	0.04	-	-	-	-	-	-	-	-
106	STFC*		Mrs. Suchita U. Revankar		Relatives of KMP	Fixed deposit accepted	0.03	-	0.03	0.03	-	-	-	-	-	-	-	-
107	STFC*		Mr. Amit Sharma		Relatives of KMP	Fixed deposit accepted	0.02	-	-	0.02	-	-	-	-	-	-	-	-
108	STFC*		Mrs. S. Arulmozhi		Relatives of KMP	Fixed deposit accepted	0.06	-	-	0.06	-	-	-	-	-	-	-	-
109	STFC*		Ms. Atibhi Sharma		Relatives of KMP	Fixed deposit accepted	0.05	-	-	0.05	-	-	-	-	-	-	-	-
110	STFC*		Mr. Jayendra Purshottamdas Udeshi		Relatives of KMP	Fixed deposit accepted	0.50	-	0.50	0.49	-	-	-	-	-	-	-	-
111	STFC*		Mrs. P Suchitra		Relatives of KMP	Fixed deposit accepted	0.23	-	0.17	0.23	-	-	-	-	-	-	-	-
112	STFC*		Mrs. Rama Sharma		Relatives of KMP	Fixed deposit accepted	0.36	-	-	0.36	-	-	-	-	-	-	-	-
113	STFC*		Mrs. Sujatha Sunder		Relatives of KMP	Fixed deposit accepted	0.05	-	-	0.05	-	-	-	-	-	-	-	-

(Rs in Crores)

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114	STFC*		Mrs. P Surekha		Relatives of KMP	Fixed deposit accepted	0.05	-	0.05	0.05	-	-	-	-	-	-	-	-
115	STFC*		Mr. Pradeep Kumar Panja		KMP #	Non-convertible debenture accepted	0.18	-	0.18	0.13	-	-	-	-	-	-	-	-
116	STFC*		Mrs. P Suchitra		Relatives of KMP	Non-convertible debenture accepted	0.09	-	0.09	0.05	-	-	-	-	-	-	-	-
117	STFC*		Mrs. P Surekha		Relatives of KMP	Non-convertible debenture accepted	0.10	-	0.10	0.04	-	-	-	-	-	-	-	-
118	STFC*		Mr. Umesh Revankar		KMP #	Non-convertible debenture accepted	2.60	-	2.60	-	-	-	-	-	-	-	-	-
119	STFC*		Mr. S. Sridhar		KMP #	Non-convertible debenture accepted	0.10	-	0.10	-	-	-	-	-	-	-	-	-
120	STFC*		Shriram Asset Management Company Limited		Promoter Group	Fixed deposit accepted		-	14.94	29.57	-	-	-	-	-	-	-	-
121	STFC*		Shriram Automall India Limited		Associates	Fixed deposit accepted		-	69.97	77.45	-	-	-	-	-	-	-	-
122	STFC*		Cartradeexchange Solutions Private Limited		Associates	Fixed deposit accepted		-	11.52	11.92	-	-	-	-	-	-	-	-
123	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Non-convertible debenture accepted		-	35.97	36.71	-	-	-	-	-	-	-	-
124	STFC*		Shriram Asset Management Company Limited		Promoter Group	Non-convertible debenture accepted	1,000.00	-	15.47	2.50	-	-	-	-	-	-	-	-
125	STFC*		Shriram Insight Share Brokers Limited		Promoter Group	Non-convertible debenture accepted		-	0.07	0.08	-	-	-	-	-	-	-	-
126	STFC*		Shriram Automall India Limited		Associates	Non-convertible debenture accepted		-	22.42	17.86	-	-	-	-	-	-	-	-
127	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Subordinated debt accepted		-	142.71	149.04	-	-	-	-	-	-	-	-
128	STFC*		Shriram General Insurance Company Limited		Promoter Group	Subordinated debt accepted		-	363.68	367.03	-	-	-	-	-	-	-	-
129	STFC*		Shriram Automall India Limited		Associates	Inter corporate deposit received		-	1.04	27.45	-	-	-	-	-	-	-	-

Note:
* Shriram Transport Finance Company Limited
# Key Management Personnel

Date & Time of Download : 12/05/2022 22:38:15

BSE ACKNOWLEDGEMENT

Acknowledgement Number	4028753
Date and Time of Submission	5/12/2022 10:33:58 PM
Scripcode and Company Name	511218 - SHRIRAM TRANSPORT FINANCE CO.LTD.
Subject / Compliance Regulation	Disclosure Of Related Party Transactions Pursuant To Regulation 23(9) Of The Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("Listing Regulations")
Submitted By	Mathew
Designation	Designated Officer for Filing

Disclaimer : - Contents of filings has not been verified at the time of submission.

National Stock Exchange Of India Limited

Date 12-MAY-22

NSE Acknowledgement

Symbol:	SRTRANSFIN
Name of the company:	Shriram Transport Finance Company Limited
Subject:	Related Party Transaction
Date of Submissions:	12-May-2022 22:36:04
Application No.	2022052051086

We hereby acknowledge receipt of your submission. Please note that the content and information provided is pending to be verified by National Stock Exchange of India Limited.

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

SEC/FILING/BSE-NSE/22-23/68A-B

April 29, 2022

BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001.
Scrip Code: 511218

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor,
Plot no. C/1, G- Block,
Bandra-Kurla Complex,
Mumbai – 400 051.
NSE Symbol: SRTRANSFIN

Dear Sirs,

Sub.: : Corrigendum to the Disclosure of Related Party Transactions pursuant to Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

In the covering letter of our disclosure dated April 28, 2022 on the captioned subject, please read 'half-year ended March 31, 2022' for quarter ended March 31, 2022.

Kindly take the same on record.

Thanking you.

Yours faithfully,

For **SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**

VIVEK ACHWAL
COMPANY SECRETARY
Enc.a/a

Date & Time of Download : 29/04/2022 12:55:35

BSE ACKNOWLEDGEMENT

Acknowledgement Number	3980096
Date and Time of Submission	4/29/2022 12:50:05 PM
Scripcode and Company Name	511218 - SHRIRAM TRANSPORT FINANCE CO.LTD.
Subject / Compliance Regulation	Corrigendum To The Disclosure Of Related Party Transactions Pursuant To Regulation 23(9) Of The Listing Regulations
Submitted By	Mathew
Designation	Designated Officer for Filing

Disclaimer : - Contents of filings has not been verified at the time of submission.

National Stock Exchange Of India Limited

Date of 29-Apr-2022

NSE Acknowledgement

Symbol:-	
Name of the Company: -	Shriram Transport Finance Company Limited
Submission Type:-	Announcements
Short Description:-	Updates
Date of Submission:-	29-Apr-2022 12:52:32 PM
NEAPS App. No:-	2022/Apr/1875/1875

Disclaimer : We hereby acknowledge receipt of your submission through NEAPS. Please note that the content and information provided is pending to be verified by NSEIL.

National Stock Exchange Of India Limited

Date 29-APR-22

NSE Acknowledgement

Symbol:	SRTRANSFIN
Name of the company:	Shriram Transport Finance Company Limited
Subject:	Related Party Transaction
Date of Submissions:	29-Apr-2022 12:56:54
Application No.	2022042045348

We hereby acknowledge receipt of your submission. Please note that the content and information provided is pending to be verified by National Stock Exchange of India Limited.

Disclosure of Related Party Transactions under regulation 23 of SEBI (LODR) Regulations, 2015 for the period 1-Oct-2021 to 31-March-2022

(Rs in Crores)

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1	STFC*		Shriram Capital Limited		Promoter	Service Charges paid	50.00	23.09	-	-	-	-	-	-	-	-	-	-
2	STFC*		Shriram Capital Limited		Promoter	Equity dividend paid	-	139.49	-	-	-	-	-	-	-	-	-	-
3	STFC*		Shriram Capital Limited		Promoter	Recovery of common sharing expenses & received towards rent & electricity	0.25	0.09	-	-	-	-	-	-	-	-	-	-
4	STFC*		Shriram Capital Limited		Promoter	Received towards Reimbursement of expenses	-	0.01	-	-	-	-	-	-	-	-	-	-
5	STFC*		Shriram Capital Limited		Promoter	Received towards convertible warrants	-	187.50	-	-	-	-	-	-	-	-	-	-
6	STFC*		Shriram Value Services Limited		Promoter Group	License Fees paid	1% of Total income of the Company subject to limit of 5% of PBT and License Fee	120.25	-	-	-	-	-	-	-	-	-	-
7	STFC*		Novac Technology Solutions (P) Limited		Promoter Group	Voice call services paid	40.00	3.02	-	-	-	-	-	-	-	-	-	-
8	STFC*		Novac Technology Solutions (P) Limited		Promoter Group	IT & BPO charges paid	60.00	23.49	-	-	-	-	-	-	-	-	-	-
9	STFC*		Shriram Asset Management Company Limited		Promoter Group	Rent paid	0.10	0.01	-	-	-	-	-	-	-	-	-	-
10	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Insurance premium paid	10.00	2.96	-	-	-	-	-	-	-	-	-	-
11	STFC*		Shriram General Insurance Company Limited		Promoter Group	Insurance premium paid	10.00	2.09	-	-	-	-	-	-	-	-	-	-

(Rs in Crores)

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12	STFC*		Shriram Fortune Solutions Limited		Promoter Group	Commission & sales promotion paid	110.00	45.97	-	-	-	-	-	-	-	-	-	-
13	STFC*		Shriram Financial Products Solutions (Chennai) Private Limited		Promoter Group	Commission & sales promotion paid	15.00	6.81	-	-	-	-	-	-	-	-	-	-
14	STFC*		Shriram Insight Share Brokers Limited		Promoter Group	Commission & sales promotion paid	15.00	4.71	-	-	-	-	-	-	-	-	-	-
15	STFC*		Shriram Wealth Limited		Promoter Group	Commission & sales promotion paid	5.00	1.17	-	-	-	-	-	-	-	-	-	-
16	STFC*		Way2wealth Securities Pvt. Ltd		Promoter Group	Commission & sales promotion paid	2.00	0.12	-	-	-	-	-	-	-	-	-	-
17	STFC*		Shriram Asset Management Company Limited		Promoter Group	Interest on fixed deposit paid	-	0.12	-	-	-	-	-	-	-	-	-	-
18	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Interest on subordinated debt paid	-	10.52	-	-	-	-	-	-	-	-	-	-
19	STFC*		Shriram General Insurance Company Limited		Promoter Group	Interest on subordinated debt paid	-	13.77	-	-	-	-	-	-	-	-	-	-
20	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Interest on non-convertible debenture paid	-	0.87	-	-	-	-	-	-	-	-	-	-
21	STFC*		Shriram Asset Management Company Limited		Promoter Group	Interest on non-convertible debenture paid	-	1.15	-	-	-	-	-	-	-	-	-	-
22	STFC*		Shriram Financial Ventures (Chennai) Private Limited		Promoter Group	Equity dividend paid	-	0.05	-	-	-	-	-	-	-	-	-	-
23	STFC*		Shriram Asset Management Company Limited		Promoter Group	Non convertible debenture redeemed	-	12.02	-	-	-	-	-	-	-	-	-	-
24	STFC*		Shriram Asset Management Company Limited		Promoter Group	Fixed deposit repaid	-	0.75	-	-	-	-	-	-	-	-	-	-
25	STFC*		Shriram Insight Share Brokers Limited		Promoter Group	Recovery of common sharing expenses	5.00	0.01	-	-	-	-	-	-	-	-	-	-
26	STFC*		Shriram Fortune Solutions Limited		Promoter Group	Recovery of common sharing expenses	1.50	0.42	-	-	-	-	-	-	-	-	-	-

(Rs in Crores)

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27	STFC*		Novac Technology Solutions (P) Limited		Promoter Group	Received towards Sale of Asset	-	0.00	-	-	-	-	-	-	-	-	-	-
28	STFC*		Shriram General Insurance Company Limited		Promoter Group	Commission received	Maximum 15% on own damage premium & Maximum 2.5% on third party premium	15.04	-	-	-	-	-	-	-	-	-	-
29	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Commission received	Minimum 4 % to Maximum 40% on premium amount	9.32	-	-	-	-	-	-	-	-	-	-
30	STFC*		Shriram Asset Management Company Limited		Promoter Group	Fixed deposit repaid	-	14.76	-	-	-	-	-	-	-	-	-	-
31	STFC*		Shriram Automall India Limited		Associates	Rent & other administrative expense paid	35.00	11.74	-	-	-	-	-	-	-	-	-	-
32	STFC*		Shriram Automall India Limited		Associates	Business Mobilisation expense	2.00	0.04	-	-	-	-	-	-	-	-	-	-
33	STFC*		Adroit Inspection Service Private Limited		Associates	Commission paid	3.00	1.10	-	-	-	-	-	-	-	-	-	-
34	STFC*		Shriram Automall India Limited		Associates	Unsecured loan and advances repaid	-	12.20	-	-	-	-	-	-	-	-	-	-
35	STFC*		Shriram Automall India Limited		Associates	Interest on Inter corporate Deposit paid	-	0.20	-	-	-	-	-	-	-	-	-	-
36	STFC*		Adroit Inspection Service Private Limited		Associates	Valuation charges paid	2.00	0.00	-	-	-	-	-	-	-	-	-	-
37	STFC*		Shriram Automall India Limited		Associates	Interest on non-convertible debenture paid	-	1.28	-	-	-	-	-	-	-	-	-	-

(Rs in Crores)

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38	STFC*		Shriram Automall India Limited		Associates	Non convertible debenture redeemed	-	4.18	-	-	-	-	-	-	-	-	-	-
39	STFC*		Shriram Automall India Limited		Associates	Inter corporate deposit repaid	-	3.80	-	-	-	-	-	-	-	-	-	-
40	STFC*		Shriram Automall India Limited		Associates	Recovery of common sharing expenses	2.00	0.24	-	-	-	-	-	-	-	-	-	-
41	STFC*		Shriram Automall India Limited		Associates	Received towards Rent & electricity	7.00	2.11	-	-	-	-	-	-	-	-	-	-
42	STFC*		Shriram Automall India Limited		Associates	Fixed deposit repaid	-	5.00	-	-	-	-	-	-	-	-	-	-
43	STFC*		Shriram Automall India Limited		Associates	Inter corporate deposit accepted	-	30.25	-	-	-	-	-	-	-	-	-	-
44	STFC*		Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme		Other related party	Employer contribution to employees group gratuity assurance scheme	10.00	3.28	-	-	-	-	-	-	-	-	-	-
45	STFC*		Mr. Umesh Revankar		KMP #	Employee benefit expenses	-	1.18	-	-	-	-	-	-	-	-	-	-
46	STFC*		Mr. Nilesh Odedara		KMP #	Employee benefit expenses	-	0.50	-	-	-	-	-	-	-	-	-	-
47	STFC*		Mr. P.Sridharan		KMP #	Employee benefit expenses	-	0.51	-	-	-	-	-	-	-	-	-	-
48	STFC*		Mr. S.Sunder		KMP #	Employee benefit expenses	-	0.52	-	-	-	-	-	-	-	-	-	-
49	STFC*		Mr. Parag Sharma		KMP #	Employee benefit expenses	-	0.47	-	-	-	-	-	-	-	-	-	-
50	STFC*		Mr. U.Balasundara Rao		KMP #	Employee benefit expenses	-	0.53	-	-	-	-	-	-	-	-	-	-
51	STFC*		Mr. Sudarshan Holla		KMP #	Employee benefit expenses	-	0.54	-	-	-	-	-	-	-	-	-	-
52	STFC*		Mr. Hardeep Singh Tur		KMP #	Employee benefit expenses	-	0.54	-	-	-	-	-	-	-	-	-	-
53	STFC*		Mr. S. Lakshminarayanan		KMP #	Commission & sitting fee paid to directors	-	0.10	-	-	-	-	-	-	-	-	-	-

(Rs in Crores)

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54	STFC*		Mrs. Kishori Udeshi		KMP #	Commission & sitting fee paid to directors	-	0.07	-	-	-	-	-	-	-	-	-	-
55	STFC*		Mr. S. Sridhar		KMP #	Commission & sitting fee paid to directors	-	0.08	-	-	-	-	-	-	-	-	-	-
56	STFC*		Mr. Pradeep Kumar Panja		KMP #	Commission & sitting fee paid to directors	-	0.09	-	-	-	-	-	-	-	-	-	-
57	STFC*		Mr. Umesh Revankar		KMP #	Interest on non-convertible debenture paid	1.50	0.62	-	-	-	-	-	-	-	-	-	-
58	STFC*		Mr. Pradeep Kumar Panja		KMP #	Interest on non-convertible debenture paid		0.02	-	-	-	-	-	-	-	-	-	-
59	STFC*		Mr. S. Sridhar		KMP #	Interest on non-convertible debenture paid		0.02	-	-	-	-	-	-	-	-	-	-
60	STFC*		Mrs. Geeta G. Revankar		Relatives of KMP	Interest on fixed deposit paid		0.01	-	-	-	-	-	-	-	-	-	-
61	STFC*		Mr. Shreyas U. Revankar		Relatives of KMP	Interest on fixed deposit paid		0.00	-	-	-	-	-	-	-	-	-	-
62	STFC*		Mrs. S. Arulmozhi		Relatives of KMP	Interest on fixed deposit paid		0.00	-	-	-	-	-	-	-	-	-	-
63	STFC*		Mr. Jayendra Purshottamdas Udeshi		Relatives of KMP	Interest on fixed deposit paid		0.02	-	-	-	-	-	-	-	-	-	-
64	STFC*		Mrs. Rama Sharma		Relatives of KMP	Interest on fixed deposit paid		0.02	-	-	-	-	-	-	-	-	-	-
65	STFC*		Mrs. Sujatha Sunder		Relatives of KMP	Interest on fixed deposit paid		0.00	-	-	-	-	-	-	-	-	-	-
66	STFC*		Mrs. P Suchitra		Relatives of KMP	Interest on non-convertible debenture paid		0.01	-	-	-	-	-	-	-	-	-	-
67	STFC*		Mrs. P Surekha		Relatives of KMP	Interest on non-convertible debenture paid		0.02	-	-	-	-	-	-	-	-	-	-
68	STFC*		Mr. Parag Sharma		KMP #	Equity dividend paid	-	0.09	-	-	-	-	-	-	-	-	-	-
69	STFC*		Mr. S.Sunder		KMP #	Equity dividend paid	-	0.00	-	-	-	-	-	-	-	-	-	-
70	STFC*		Mr. P.Sridharan		KMP #	Equity dividend paid	-	0.00	-	-	-	-	-	-	-	-	-	-

(Rs in Crores)

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71	STFC*		Mr. Sudarshan Holla		KMP #	Equity dividend paid	-	0.00	-	-	-	-	-	-	-	-	-	-
72	STFC*		Mr. U.Balasundara Rao		KMP #	Equity dividend paid	-	0.00	-	-	-	-	-	-	-	-	-	-
73	STFC*		Mr. Anil G. Revankar		Relatives of KMP	Equity dividend paid	-	0.00	-	-	-	-	-	-	-	-	-	-
74	STFC*		Mr. Umesh Revankar		KMP #	Non convertible debenture redeemed		2.00	-	-	-	-	-	-	-	-	-	-
75	STFC*		Mr. Pradeep Kumar Panja		KMP #	Non convertible debenture redeemed		0.05	-	-	-	-	-	-	-	-	-	-
76	STFC*		Mr. S. Sridhar		KMP #	Non convertible debenture redeemed		0.08	-	-	-	-	-	-	-	-	-	-
77	STFC*		Mrs. Geeta G. Revankar		Relatives of KMP	Fixed deposit repaid	5.00	0.03	-	-	-	-	-	-	-	-	-	-
78	STFC*		Mr. Shreyas U. Revankar		Relatives of KMP	Fixed deposit repaid		0.01	-	-	-	-	-	-	-	-	-	-
79	STFC*		Mrs. Rama Sharma		Relatives of KMP	Fixed deposit repaid		0.22	-	-	-	-	-	-	-	-	-	-
80	STFC*		Mrs. P Suchitra		Relatives of KMP	Non convertible debenture redeemed		0.03	-	-	-	-	-	-	-	-	-	-
81	STFC*		Mrs. P Surekha		Relatives of KMP	Non convertible debenture redeemed		0.05	-	-	-	-	-	-	-	-	-	-
82	STFC*		Mr. Hardeep Singh Tur		KMP #	Fixed deposit repaid		0.01	-	-	-	-	-	-	-	-	-	-
83	STFC*		Mrs. Geeta G. Revankar		Relatives of KMP	Fixed deposit repaid		0.03	-	-	-	-	-	-	-	-	-	-
84	STFC*		Mr. Shreyas U. Revankar		Relatives of KMP	Fixed deposit repaid	10.00	0.02	-	-	-	-	-	-	-	-	-	-
85	STFC*		Mr. Shirish U. Revankar		Relatives of KMP	Fixed deposit repaid		0.01	-	-	-	-	-	-	-	-	-	-
86	STFC*		Mrs. P Suchitra		Relatives of KMP	Fixed deposit repaid		0.05	-	-	-	-	-	-	-	-	-	-
87	STFC*		Mrs. Rama Sharma		Relatives of KMP	Fixed deposit repaid		0.24	-	-	-	-	-	-	-	-	-	-
88	STFC*		Shriram Capital Limited		Promoter	Share capital	-	-	68.70	70.44	-	-	-	-	-	-	-	-
89	STFC*		Shriram Value Services Limited		Promoter Group	Share capital	-	-	-	1.06	-	-	-	-	-	-	-	-
90	STFC*		Shriram Financial Ventures (Chennai) Private Limited		Promoter Group	Share capital	-	-	0.06	-	-	-	-	-	-	-	-	-

(Rs in Crores)

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91	STFC*		Mr. Parag Sharma		KMP #	Share capital	-	-	-	0.05	-	-	-	-	-	-	-	-
92	STFC*		Mr. S.Sunder		KMP #	Share capital	-	-	-	0.00	-	-	-	-	-	-	-	-
93	STFC*		Mr. P.Sridharan		KMP #	Share capital	-	-	-	0.00	-	-	-	-	-	-	-	-
94	STFC*		Mr. Sudarshan Holla		KMP #	Share capital	-	-	-	0.00	-	-	-	-	-	-	-	-
95	STFC*		Mr. U.Balasundara Rao		KMP #	Share capital	-	-	-	0.00	-	-	-	-	-	-	-	-
96	STFC*		Mr. Anil G. Revankar		Relatives of KMP	Share capital	-	-	0.00	0.00	-	-	-	-	-	-	-	-
97	STFC*		Shriram Capital Limited		Promoter	Convertible warrants received	-	-	62.50	-	-	-	-	-	-	-	-	-
98	STFC*		Shriram Automall India Limited		Associates	Investment in equity shares	-	-	13.37	13.37	-	-	-	-	-	-	-	-
99	STFC*		Shriram Automall India Limited		Associates	Unsecured loan and advances payable	20.00	-	2.37	0.91	-	-	-	-	-	-	-	-
100	STFC*		Shriram General Insurance Company Limited		Promoter Group	Commission receivable	-	-	3.31	3.21	-	-	-	-	-	-	-	-
101	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Commission receivable	-	-	1.15	1.46	-	-	-	-	-	-	-	-
102	STFC*		Shriram Capital Limited		Promoter	Outstanding expenses	-	-	12.57	11.41	-	-	-	-	-	-	-	-
103	STFC*		Shriram Value Services Limited		Promoter Group	Outstanding expenses	-	-	59.98	77.85	-	-	-	-	-	-	-	-
104	STFC*		Novac Technology Solutions (P) Limited		Promoter Group	Outstanding expenses	-	-	9.03	1.96	-	-	-	-	-	-	-	-
105	STFC*		Shriram Fortune Solutions Limited		Promoter Group	Outstanding expenses	-	-	9.05	6.37	-	-	-	-	-	-	-	-
106	STFC*		Shriram Financial Products Solutions (Chennai) Private Limited		Promoter Group	Outstanding expenses	-	-	0.30	1.85	-	-	-	-	-	-	-	-
107	STFC*		Shriram Insight Share Brokers Limited		Promoter Group	Outstanding expenses	-	-	0.69	0.65	-	-	-	-	-	-	-	-
108	STFC*		Shriram Wealth Limited		Promoter Group	Outstanding expenses	-	-	0.81	0.08	-	-	-	-	-	-	-	-
109	STFC*		Way2wealth Securities Pvt. Ltd		Promoter Group	Outstanding expenses	-	-	0.08	0.08	-	-	-	-	-	-	-	-
110	STFC*		Mrs. Kishori Udeshi		KMP #	Fixed deposit accepted	-	-	1.21	1.27	-	-	-	-	-	-	-	-
111	STFC*		Mr. Pradeep Kumar Panja		KMP #	Fixed deposit accepted	-	-	0.05	0.06	-	-	-	-	-	-	-	-
112	STFC*		Mr. S. Sridhar		KMP #	Fixed deposit accepted	-	-	0.10	0.11	-	-	-	-	-	-	-	-
113	STFC*		Mr. Parag Sharma		KMP #	Fixed deposit accepted	-	-	-	0.00	-	-	-	-	-	-	-	-
114	STFC*		Mr. Hardeep Singh Tur		KMP #	Fixed deposit accepted	-	-	-	0.03	-	-	-	-	-	-	-	-

(Rs in Crores)

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115	STFC*		Mrs. Geeta G. Revankar		Relatives of KMP	Fixed deposit accepted	-	-	0.10	0.09	-	-	-	-	-	-	-	-
116	STFC*		Mr. Shreyas U. Revankar		Relatives of KMP	Fixed deposit accepted	-	-	0.05	0.06	-	-	-	-	-	-	-	-
117	STFC*		Mr. Shirish U. Revankar		Relatives of KMP	Fixed deposit accepted	-	-	0.03	0.04	-	-	-	-	-	-	-	-
118	STFC*		Mrs. Suchita U. Revankar		Relatives of KMP	Fixed deposit accepted	-	-	0.03	0.03	-	-	-	-	-	-	-	-
119	STFC*		Mr. Amit Sharma		Relatives of KMP	Fixed deposit accepted	-	-	-	0.02	-	-	-	-	-	-	-	-
120	STFC*		Mrs. S. Arulmozhi		Relatives of KMP	Fixed deposit accepted	-	-	-	0.06	-	-	-	-	-	-	-	-
121	STFC*		Ms. Atibhi Sharma		Relatives of KMP	Fixed deposit accepted	-	-	-	0.05	-	-	-	-	-	-	-	-
122	STFC*		Mr. Jayendra Purshottamdas Udeshi		Relatives of KMP	Fixed deposit accepted	-	-	0.50	0.49	-	-	-	-	-	-	-	-
123	STFC*		Mrs. P Suchitra		Relatives of KMP	Fixed deposit accepted	-	-	0.17	0.23	-	-	-	-	-	-	-	-
124	STFC*		Mrs. Rama Sharma		Relatives of KMP	Fixed deposit accepted	-	-	-	0.36	-	-	-	-	-	-	-	-
125	STFC*		Mrs. Sujatha Sunder		Relatives of KMP	Fixed deposit accepted	-	-	-	0.05	-	-	-	-	-	-	-	-
126	STFC*		Mrs. P Surekha		Relatives of KMP	Fixed deposit accepted	-	-	0.05	0.05	-	-	-	-	-	-	-	-
127	STFC*		Mr. Pradeep Kumar Panja		KMP #	Non-convertible debenture accepted	-	-	0.18	0.13	-	-	-	-	-	-	-	-
128	STFC*		Mrs. P Suchitra		Relatives of KMP	Non-convertible debenture accepted	-	-	0.09	0.05	-	-	-	-	-	-	-	-
129	STFC*		Mrs. P Surekha		Relatives of KMP	Non-convertible debenture accepted	-	-	0.10	0.04	-	-	-	-	-	-	-	-
130	STFC*		Mr. Umesh Revankar		KMP #	Non-convertible debenture accepted	-	-	2.60	-	-	-	-	-	-	-	-	-
131	STFC*		Mr. S. Sridhar		KMP #	Non-convertible debenture accepted	-	-	0.10	-	-	-	-	-	-	-	-	-

(Rs in Crores)

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132	STFC*		Shriram Asset Management Company Limited		Promoter Group	Fixed deposit accepted		-	14.94	29.57	-	-	-	-	-	-	-	-
133	STFC*		Shriram Automall India Limited		Associates	Fixed deposit accepted		-	69.97	77.45	-	-	-	-	-	-	-	-
134	STFC*		Cartradeexchange Solutions Private Limited		Associates	Fixed deposit accepted		-	11.52	11.92	-	-	-	-	-	-	-	-
135	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Non-convertible debenture accepted		-	35.97	36.71	-	-	-	-	-	-	-	-
136	STFC*		Shriram Asset Management Company Limited		Promoter Group	Non-convertible debenture accepted	1,000.00	-	15.47	2.50	-	-	-	-	-	-	-	-
137	STFC*		Shriram Insight Share Brokers Limited		Promoter Group	Non-convertible debenture accepted		-	0.07	0.08	-	-	-	-	-	-	-	-
138	STFC*		Shriram Automall India Limited		Associates	Non-convertible debenture accepted		-	22.42	17.86	-	-	-	-	-	-	-	-
139	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Subordinated debt accepted		-	142.71	149.04	-	-	-	-	-	-	-	-
140	STFC*		Shriram General Insurance Company Limited		Promoter Group	Subordinated debt accepted		-	363.68	367.03	-	-	-	-	-	-	-	-
141	STFC*		Shriram Automall India Limited		Associates	Inter corporate deposit received		-	1.04	27.45	-	-	-	-	-	-	-	-

Note:
* Shriram Transport Finance Company Limited
# Key Management Personnel

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

SEC/FILING/BSE-NSE/22-23/68A-B

April 28, 2022

BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001.
Scrip Code: 511218

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor,
Plot no. C/1, G- Block,
Bandra-Kurla Complex,
Mumbai – 400 051.
NSE Symbol: SRTRANSFIN

Dear Sirs,

Sub.: Disclosure of Related Party Transactions pursuant to Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Pursuant to Regulation 23(9) of the Listing Regulations, please find enclosed the disclosure of related party transactions on a consolidated basis for the quarter ended March 31, 2022.

Kindly take the same on record.

Thanking you.

Yours faithfully,

For **SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**

VIVEK ACHWAL
COMPANY SECRETARY
Enc.a/a

Disclosure of Related Party Transactions under regulation 23 of SEBI (LODR) Regulations, 2015 for the period 1-Oct-2021 to 31-March-2022

(Rs in Crores)

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1	STFC*		Shriram Capital Limited		Promoter	Service Charges paid	50.00	23.09	-	-	-	-	-	-	-	-	-	-
2	STFC*		Shriram Capital Limited		Promoter	Equity dividend paid	-	139.49	-	-	-	-	-	-	-	-	-	-
3	STFC*		Shriram Capital Limited		Promoter	Recovery of common sharing expenses & received towards rent & electricity	0.25	0.09	-	-	-	-	-	-	-	-	-	-
4	STFC*		Shriram Capital Limited		Promoter	Received towards Reimbursement of expenses	-	0.01	-	-	-	-	-	-	-	-	-	-
5	STFC*		Shriram Capital Limited		Promoter	Received towards convertible warrants	-	187.50	-	-	-	-	-	-	-	-	-	-
6	STFC*		Shriram Value Services Limited		Promoter Group	License Fees paid	1% of Total income of the Company subject to limit of 5% of PBT and License Fee	120.25	-	-	-	-	-	-	-	-	-	-
7	STFC*		Novac Technology Solutions (P) Limited		Promoter Group	Voice call services paid	40.00	3.02	-	-	-	-	-	-	-	-	-	-
8	STFC*		Novac Technology Solutions (P) Limited		Promoter Group	IT & BPO charges paid	60.00	23.49	-	-	-	-	-	-	-	-	-	-
9	STFC*		Shriram Asset Management Company Limited		Promoter Group	Rent paid	0.10	0.01	-	-	-	-	-	-	-	-	-	-
10	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Insurance premium paid	10.00	2.96	-	-	-	-	-	-	-	-	-	-
11	STFC*		Shriram General Insurance Company Limited		Promoter Group	Insurance premium paid	10.00	2.09	-	-	-	-	-	-	-	-	-	-

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12	STFC*		Shriram Fortune Solutions Limited		Promoter Group	Commission & sales promotion paid	110.00	45.97	-	-	-	-	-	-	-	-	-	-
13	STFC*		Shriram Financial Products Solutions (Chennai) Private Limited		Promoter Group	Commission & sales promotion paid	15.00	6.81	-	-	-	-	-	-	-	-	-	-
14	STFC*		Shriram Insight Share Brokers Limited		Promoter Group	Commission & sales promotion paid	15.00	4.71	-	-	-	-	-	-	-	-	-	-
15	STFC*		Shriram Wealth Limited		Promoter Group	Commission & sales promotion paid	5.00	1.17	-	-	-	-	-	-	-	-	-	-
16	STFC*		Way2wealth Securities Pvt. Ltd		Promoter Group	Commission & sales promotion paid	2.00	0.12	-	-	-	-	-	-	-	-	-	-
17	STFC*		Shriram Asset Management Company Limited		Promoter Group	Interest on fixed deposit paid	-	0.12	-	-	-	-	-	-	-	-	-	-
18	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Interest on subordinated debt paid	-	10.52	-	-	-	-	-	-	-	-	-	-
19	STFC*		Shriram General Insurance Company Limited		Promoter Group	Interest on subordinated debt paid	-	13.77	-	-	-	-	-	-	-	-	-	-
20	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Interest on non-convertible debenture paid	-	0.87	-	-	-	-	-	-	-	-	-	-
21	STFC*		Shriram Asset Management Company Limited		Promoter Group	Interest on non-convertible debenture paid	-	1.15	-	-	-	-	-	-	-	-	-	-
22	STFC*		Shriram Financial Ventures (Chennai) Private Limited		Promoter Group	Equity dividend paid	-	0.05	-	-	-	-	-	-	-	-	-	-
23	STFC*		Shriram Asset Management Company Limited		Promoter Group	Non convertible debenture redeemed	-	12.02	-	-	-	-	-	-	-	-	-	-
24	STFC*		Shriram Asset Management Company Limited		Promoter Group	Fixed deposit repaid	-	0.75	-	-	-	-	-	-	-	-	-	-
25	STFC*		Shriram Insight Share Brokers Limited		Promoter Group	Recovery of common sharing expenses	5.00	0.01	-	-	-	-	-	-	-	-	-	-
26	STFC*		Shriram Fortune Solutions Limited		Promoter Group	Recovery of common sharing expenses	1.50	0.42	-	-	-	-	-	-	-	-	-	-

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27	STFC*		Novac Technology Solutions (P) Limited		Promoter Group	Received towards Sale of Asset	-	0.00	-	-	-	-	-	-	-	-	-	-
28	STFC*		Shriram General Insurance Company Limited		Promoter Group	Commission received	Maximum 15% on own damage premium & Maximum 2.5% on third party premium	15.04	-	-	-	-	-	-	-	-	-	-
29	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Commission received	Minimum 4 % to Maximum 40% on premium amount	9.32	-	-	-	-	-	-	-	-	-	-
30	STFC*		Shriram Asset Management Company Limited		Promoter Group	Fixed deposit repaid	-	14.76	-	-	-	-	-	-	-	-	-	-
31	STFC*		Shriram Automall India Limited		Associates	Rent & other administrative expense paid	35.00	11.74	-	-	-	-	-	-	-	-	-	-
32	STFC*		Shriram Automall India Limited		Associates	Business Mobilisation expense	2.00	0.04	-	-	-	-	-	-	-	-	-	-
33	STFC*		Adroit Inspection Service Private Limited		Associates	Commission paid	3.00	1.10	-	-	-	-	-	-	-	-	-	-
34	STFC*		Shriram Automall India Limited		Associates	Unsecured loan and advances repaid	-	12.20	-	-	-	-	-	-	-	-	-	-
35	STFC*		Shriram Automall India Limited		Associates	Interest on Inter corporate Deposit paid	-	0.20	-	-	-	-	-	-	-	-	-	-
36	STFC*		Adroit Inspection Service Private Limited		Associates	Valuation charges paid	2.00	0.00	-	-	-	-	-	-	-	-	-	-
37	STFC*		Shriram Automall India Limited		Associates	Interest on non-convertible debenture paid	-	1.28	-	-	-	-	-	-	-	-	-	-

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38	STFC*		Shriram Automall India Limited		Associates	Non convertible debenture redeemed	-	4.18	-	-	-	-	-	-	-	-	-	-
39	STFC*		Shriram Automall India Limited		Associates	Inter corporate deposit repaid	-	3.80	-	-	-	-	-	-	-	-	-	-
40	STFC*		Shriram Automall India Limited		Associates	Recovery of common sharing expenses	2.00	0.24	-	-	-	-	-	-	-	-	-	-
41	STFC*		Shriram Automall India Limited		Associates	Received towards Rent & electricity	7.00	2.11	-	-	-	-	-	-	-	-	-	-
42	STFC*		Shriram Automall India Limited		Associates	Fixed deposit repaid	-	5.00	-	-	-	-	-	-	-	-	-	-
43	STFC*		Shriram Automall India Limited		Associates	Inter corporate deposit accepted	-	30.25	-	-	-	-	-	-	-	-	-	-
44	STFC*		Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme		Other related party	Employer contribution to employees group gratuity assurance scheme	10.00	3.28	-	-	-	-	-	-	-	-	-	-
45	STFC*		Mr. Umesh Revankar		KMP #	Employee benefit expenses	-	1.18	-	-	-	-	-	-	-	-	-	-
46	STFC*		Mr. Nilesh Odedara		KMP #	Employee benefit expenses	-	0.50	-	-	-	-	-	-	-	-	-	-
47	STFC*		Mr. P.Sridharan		KMP #	Employee benefit expenses	-	0.51	-	-	-	-	-	-	-	-	-	-
48	STFC*		Mr. S.Sunder		KMP #	Employee benefit expenses	-	0.52	-	-	-	-	-	-	-	-	-	-
49	STFC*		Mr. Parag Sharma		KMP #	Employee benefit expenses	-	0.47	-	-	-	-	-	-	-	-	-	-
50	STFC*		Mr. U.Balasundara Rao		KMP #	Employee benefit expenses	-	0.53	-	-	-	-	-	-	-	-	-	-
51	STFC*		Mr. Sudarshan Holla		KMP #	Employee benefit expenses	-	0.54	-	-	-	-	-	-	-	-	-	-
52	STFC*		Mr. Hardeep Singh Tur		KMP #	Employee benefit expenses	-	0.54	-	-	-	-	-	-	-	-	-	-
53	STFC*		Mr. S. Lakshminarayanan		KMP #	Commission & sitting fee paid to directors	-	0.10	-	-	-	-	-	-	-	-	-	-

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54	STFC*		Mrs. Kishori Udeshi		KMP #	Commission & sitting fee paid to directors	-	0.07	-	-	-	-	-	-	-	-	-	-
55	STFC*		Mr. S. Sridhar		KMP #	Commission & sitting fee paid to directors	-	0.08	-	-	-	-	-	-	-	-	-	-
56	STFC*		Mr. Pradeep Kumar Panja		KMP #	Commission & sitting fee paid to directors	-	0.09	-	-	-	-	-	-	-	-	-	-
57	STFC*		Mr. Umesh Revankar		KMP #	Interest on non-convertible debenture paid		0.62	-	-	-	-	-	-	-	-	-	-
58	STFC*		Mr. Pradeep Kumar Panja		KMP #	Interest on non-convertible debenture paid		0.02	-	-	-	-	-	-	-	-	-	-
59	STFC*		Mr. S. Sridhar		KMP #	Interest on non-convertible debenture paid		0.02	-	-	-	-	-	-	-	-	-	-
60	STFC*		Mrs. Geeta G. Revankar		Relatives of KMP	Interest on fixed deposit paid		0.01	-	-	-	-	-	-	-	-	-	-
61	STFC*		Mr. Shreyas U. Revankar		Relatives of KMP	Interest on fixed deposit paid		0.00	-	-	-	-	-	-	-	-	-	-
62	STFC*		Mrs. S. Arulmozhi		Relatives of KMP	Interest on fixed deposit paid	1.50	0.00	-	-	-	-	-	-	-	-	-	-
63	STFC*		Mr. Jayendra Purshottamdas Udeshi		Relatives of KMP	Interest on fixed deposit paid		0.02	-	-	-	-	-	-	-	-	-	-
64	STFC*		Mrs. Rama Sharma		Relatives of KMP	Interest on fixed deposit paid		0.02	-	-	-	-	-	-	-	-	-	-
65	STFC*		Mrs. Sujatha Sunder		Relatives of KMP	Interest on fixed deposit paid		0.00	-	-	-	-	-	-	-	-	-	-
66	STFC*		Mrs. P Suchitra		Relatives of KMP	Interest on non-convertible debenture paid		0.01	-	-	-	-	-	-	-	-	-	-
67	STFC*		Mrs. P Surekha		Relatives of KMP	Interest on non-convertible debenture paid		0.02	-	-	-	-	-	-	-	-	-	-
68	STFC*		Mr. Parag Sharma		KMP #	Equity dividend paid	-	0.09	-	-	-	-	-	-	-	-	-	-
69	STFC*		Mr. S.Sunder		KMP #	Equity dividend paid	-	0.00	-	-	-	-	-	-	-	-	-	-
70	STFC*		Mr. P.Sridharan		KMP #	Equity dividend paid	-	0.00	-	-	-	-	-	-	-	-	-	-

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71	STFC*		Mr. Sudarshan Holla		KMP #	Equity dividend paid	-	0.00	-	-	-	-	-	-	-	-	-	-
72	STFC*		Mr. U.Balasundara Rao		KMP #	Equity dividend paid	-	0.00	-	-	-	-	-	-	-	-	-	-
73	STFC*		Mr. Anil G. Revankar		Relatives of KMP	Equity dividend paid	-	0.00	-	-	-	-	-	-	-	-	-	-
74	STFC*		Mr. Umesh Revankar		KMP #	Non convertible debenture redeemed		2.00	-	-	-	-	-	-	-	-	-	-
75	STFC*		Mr. Pradeep Kumar Panja		KMP #	Non convertible debenture redeemed		0.05	-	-	-	-	-	-	-	-	-	-
76	STFC*		Mr. S. Sridhar		KMP #	Non convertible debenture redeemed		0.08	-	-	-	-	-	-	-	-	-	-
77	STFC*		Mrs. Geeta G. Revankar		Relatives of KMP	Fixed deposit repaid	5.00	0.03	-	-	-	-	-	-	-	-	-	-
78	STFC*		Mr. Shreyas U. Revankar		Relatives of KMP	Fixed deposit repaid		0.01	-	-	-	-	-	-	-	-	-	-
79	STFC*		Mrs. Rama Sharma		Relatives of KMP	Fixed deposit repaid		0.22	-	-	-	-	-	-	-	-	-	-
80	STFC*		Mrs. P Suchitra		Relatives of KMP	Non convertible debenture redeemed		0.03	-	-	-	-	-	-	-	-	-	-
81	STFC*		Mrs. P Surekha		Relatives of KMP	Non convertible debenture redeemed		0.05	-	-	-	-	-	-	-	-	-	-
82	STFC*		Mr. Hardeep Singh Tur		KMP #	Fixed deposit repaid		0.01	-	-	-	-	-	-	-	-	-	-
83	STFC*		Mrs. Geeta G. Revankar		Relatives of KMP	Fixed deposit repaid		0.03	-	-	-	-	-	-	-	-	-	-
84	STFC*		Mr. Shreyas U. Revankar		Relatives of KMP	Fixed deposit repaid	10.00	0.02	-	-	-	-	-	-	-	-	-	-
85	STFC*		Mr. Shirish U. Revankar		Relatives of KMP	Fixed deposit repaid		0.01	-	-	-	-	-	-	-	-	-	-
86	STFC*		Mrs. P Suchitra		Relatives of KMP	Fixed deposit repaid		0.05	-	-	-	-	-	-	-	-	-	-
87	STFC*		Mrs. Rama Sharma		Relatives of KMP	Fixed deposit repaid		0.24	-	-	-	-	-	-	-	-	-	-
88	STFC*		Shriram Capital Limited		Promoter	Share capital	-	-	68.70	70.44	-	-	-	-	-	-	-	-
89	STFC*		Shriram Value Services Limited		Promoter Group	Share capital	-	-	-	1.06	-	-	-	-	-	-	-	-
90	STFC*		Shriram Financial Ventures (Chennai) Private Limited		Promoter Group	Share capital	-	-	0.06	-	-	-	-	-	-	-	-	-

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91	STFC*		Mr. Parag Sharma		KMP #	Share capital	-	-	-	0.05	-	-	-	-	-	-	-	-
92	STFC*		Mr. S.Sunder		KMP #	Share capital	-	-	-	0.00	-	-	-	-	-	-	-	-
93	STFC*		Mr. P.Sridharan		KMP #	Share capital	-	-	-	0.00	-	-	-	-	-	-	-	-
94	STFC*		Mr. Sudarshan Holla		KMP #	Share capital	-	-	-	0.00	-	-	-	-	-	-	-	-
95	STFC*		Mr. U.Balasundara Rao		KMP #	Share capital	-	-	-	0.00	-	-	-	-	-	-	-	-
96	STFC*		Mr. Anil G. Revankar		Relatives of KMP	Share capital	-	-	0.00	0.00	-	-	-	-	-	-	-	-
97	STFC*		Shriram Capital Limited		Promoter	Convertible warrants received	-	-	62.50	-	-	-	-	-	-	-	-	-
98	STFC*		Shriram Automall India Limited		Associates	Investment in equity shares	-	-	13.37	13.37	-	-	-	-	-	-	-	-
99	STFC*		Shriram Automall India Limited		Associates	Unsecured loan and advances payable	20.00	-	2.37	0.91	-	-	-	-	-	-	-	-
100	STFC*		Shriram General Insurance Company Limited		Promoter Group	Commission receivable	-	-	3.31	3.21	-	-	-	-	-	-	-	-
101	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Commission receivable	-	-	1.15	1.46	-	-	-	-	-	-	-	-
102	STFC*		Shriram Capital Limited		Promoter	Outstanding expenses	-	-	12.57	11.41	-	-	-	-	-	-	-	-
103	STFC*		Shriram Value Services Limited		Promoter Group	Outstanding expenses	-	-	59.98	77.85	-	-	-	-	-	-	-	-
104	STFC*		Novac Technology Solutions (P) Limited		Promoter Group	Outstanding expenses	-	-	9.03	1.96	-	-	-	-	-	-	-	-
105	STFC*		Shriram Fortune Solutions Limited		Promoter Group	Outstanding expenses	-	-	9.05	6.37	-	-	-	-	-	-	-	-
106	STFC*		Shriram Financial Products Solutions (Chennai) Private Limited		Promoter Group	Outstanding expenses	-	-	0.30	1.85	-	-	-	-	-	-	-	-
107	STFC*		Shriram Insight Share Brokers Limited		Promoter Group	Outstanding expenses	-	-	0.69	0.65	-	-	-	-	-	-	-	-
108	STFC*		Shriram Wealth Limited		Promoter Group	Outstanding expenses	-	-	0.81	0.08	-	-	-	-	-	-	-	-
109	STFC*		Way2wealth Securities Pvt. Ltd		Promoter Group	Outstanding expenses	-	-	0.08	0.08	-	-	-	-	-	-	-	-
110	STFC*		Mrs. Kishori Udeshi		KMP #	Fixed deposit accepted	-	-	1.21	1.27	-	-	-	-	-	-	-	-
111	STFC*		Mr. Pradeep Kumar Panja		KMP #	Fixed deposit accepted	-	-	0.05	0.06	-	-	-	-	-	-	-	-
112	STFC*		Mr. S. Sridhar		KMP #	Fixed deposit accepted	-	-	0.10	0.11	-	-	-	-	-	-	-	-
113	STFC*		Mr. Parag Sharma		KMP #	Fixed deposit accepted	-	-	-	0.00	-	-	-	-	-	-	-	-
114	STFC*		Mr. Hardeep Singh Tur		KMP #	Fixed deposit accepted	-	-	-	0.03	-	-	-	-	-	-	-	-

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115	STFC*		Mrs. Geeta G. Revankar		Relatives of KMP	Fixed deposit accepted	-	-	0.10	0.09	-	-	-	-	-	-	-	-
116	STFC*		Mr. Shreyas U. Revankar		Relatives of KMP	Fixed deposit accepted	-	-	0.05	0.06	-	-	-	-	-	-	-	-
117	STFC*		Mr. Shirish U. Revankar		Relatives of KMP	Fixed deposit accepted	-	-	0.03	0.04	-	-	-	-	-	-	-	-
118	STFC*		Mrs. Suchita U. Revankar		Relatives of KMP	Fixed deposit accepted	-	-	0.03	0.03	-	-	-	-	-	-	-	-
119	STFC*		Mr. Amit Sharma		Relatives of KMP	Fixed deposit accepted	-	-	-	0.02	-	-	-	-	-	-	-	-
120	STFC*		Mrs. S. Arulmozhi		Relatives of KMP	Fixed deposit accepted	-	-	-	0.06	-	-	-	-	-	-	-	-
121	STFC*		Ms. Atibhi Sharma		Relatives of KMP	Fixed deposit accepted	-	-	-	0.05	-	-	-	-	-	-	-	-
122	STFC*		Mr. Jayendra Purshottamdas Udeshi		Relatives of KMP	Fixed deposit accepted	-	-	0.50	0.49	-	-	-	-	-	-	-	-
123	STFC*		Mrs. P Suchitra		Relatives of KMP	Fixed deposit accepted	-	-	0.17	0.23	-	-	-	-	-	-	-	-
124	STFC*		Mrs. Rama Sharma		Relatives of KMP	Fixed deposit accepted	-	-	-	0.36	-	-	-	-	-	-	-	-
125	STFC*		Mrs. Sujatha Sunder		Relatives of KMP	Fixed deposit accepted	-	-	-	0.05	-	-	-	-	-	-	-	-
126	STFC*		Mrs. P Surekha		Relatives of KMP	Fixed deposit accepted	-	-	0.05	0.05	-	-	-	-	-	-	-	-
127	STFC*		Mr. Pradeep Kumar Panja		KMP #	Non-convertible debenture accepted	-	-	0.18	0.13	-	-	-	-	-	-	-	-
128	STFC*		Mrs. P Suchitra		Relatives of KMP	Non-convertible debenture accepted	-	-	0.09	0.05	-	-	-	-	-	-	-	-
129	STFC*		Mrs. P Surekha		Relatives of KMP	Non-convertible debenture accepted	-	-	0.10	0.04	-	-	-	-	-	-	-	-
130	STFC*		Mr. Umesh Revankar		KMP #	Non-convertible debenture accepted	-	-	2.60	-	-	-	-	-	-	-	-	-
131	STFC*		Mr. S. Sridhar		KMP #	Non-convertible debenture accepted	-	-	0.10	-	-	-	-	-	-	-	-	-

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132	STFC*		Shriram Asset Management Company Limited		Promoter Group	Fixed deposit accepted		-	14.94	29.57	-	-	-	-	-	-	-	-
133	STFC*		Shriram Automall India Limited		Associates	Fixed deposit accepted		-	69.97	77.45	-	-	-	-	-	-	-	-
134	STFC*		Cartradeexchange Solutions Private Limited		Associates	Fixed deposit accepted		-	11.52	11.92	-	-	-	-	-	-	-	-
135	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Non-convertible debenture accepted		-	35.97	36.71	-	-	-	-	-	-	-	-
136	STFC*		Shriram Asset Management Company Limited		Promoter Group	Non-convertible debenture accepted	1,000.00	-	15.47	2.50	-	-	-	-	-	-	-	-
137	STFC*		Shriram Insight Share Brokers Limited		Promoter Group	Non-convertible debenture accepted		-	0.07	0.08	-	-	-	-	-	-	-	-
138	STFC*		Shriram Automall India Limited		Associates	Non-convertible debenture accepted		-	22.42	17.86	-	-	-	-	-	-	-	-
139	STFC*		Shriram Life Insurance Company Limited		Promoter Group	Subordinated debt accepted		-	142.71	149.04	-	-	-	-	-	-	-	-
140	STFC*		Shriram General Insurance Company Limited		Promoter Group	Subordinated debt accepted		-	363.68	367.03	-	-	-	-	-	-	-	-
141	STFC*		Shriram Automall India Limited		Associates	Inter corporate deposit received		-	1.04	27.45	-	-	-	-	-	-	-	-

Note:
* Shriram Transport Finance Company Limited
# Key Management Personnel

Date & Time of Download : 28/04/2022 22:46:11

BSE ACKNOWLEDGEMENT

Acknowledgement Number	3977425
Date and Time of Submission	4/28/2022 10:41:04 PM
Scripcode and Company Name	511218 - SHRIRAM TRANSPORT FINANCE CO.LTD.
Subject / Compliance Regulation	Disclosure Of Related Party Transactions Pursuant To Regulation 23(9) Of The Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("Listing Regulations")
Submitted By	Mathew
Designation	Designated Officer for Filing

Disclaimer : - Contents of filings has not been verified at the time of submission.

National Stock Exchange Of India Limited

Date of 28-Apr-2022

NSE Acknowledgement

Symbol:-	
Name of the Company: -	Shriram Transport Finance Company Limited
Submission Type:-	Announcements
Short Description:-	Updates
Date of Submission:-	28-Apr-2022 10:50:34 PM
NEAPS App. No:-	2022/Apr/1851/1851

Disclaimer : We hereby acknowledge receipt of your submission through NEAPS. Please note that the content and information provided is pending to be verified by NSEIL.

Related party transactions

											Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.								
Sr No.	Details of the party (listed entity /subsidiary) entering into the transaction	Details of the counterparty		Type of related party transaction	Details of other related party transaction	Value of the related party transaction as approved by the audit committee	Remarks on approval by audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments				Details of the loans, inter-corporate deposits, advances or investments				
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary						Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Details of other indebtedness	Cost	Tenure	Nature (loan/ advance/ intercorporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)
1	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM VALUE SERVICES LIMITED	ASSOCIATES	Purchase of goods or services		8299.28	NA	4149.64	0	0									
2	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM VALUE SERVICES LIMITED	ASSOCIATES	Any other transaction	ROYALTY PAYABLE	0	NA	0	1732.75	1944.71									
3	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM VALUE SERVICES LIMITED	ASSOCIATES	Any other transaction	EXPENSES PAYABLE	0	NA	0	21.83	21.83									
4	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM VALUE SERVICES LIMITED	ASSOCIATES	Any other transaction	RECEIVABLE	0	NA	0	23.91	23.91									
5	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM VALUE SERVICES LIMITED	ASSOCIATES	Any other transaction	SHARE CAPITAL	0	NA	0	20.11	178.65									
6	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM FINANCIAL PRODUCTS SOLUTIONS (CHENNAI) PRIVATE LIMITED	ASSOCIATES	Purchase of goods or services		3090.42	NA	1545.21	0	0									
7	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM FINANCIAL PRODUCTS SOLUTIONS (CHENNAI) PRIVATE LIMITED	ASSOCIATES	Any other transaction	EXPENSES PAYABLE	0	NA	0	212.65	245.87									
8	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM FINANCIAL PRODUCTS SOLUTIONS (CHENNAI) PRIVATE LIMITED	ASSOCIATES	Any other transaction	RECEIVABLE	0	NA	0	32.36	32.27									
8	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM FORTUNE SOLUTIONS LIMITED	ASSOCIATES	Purchase of goods or services		4632.24	NA	2316.12	0	0									
10	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM FORTUNE SOLUTIONS LIMITED	ASSOCIATES	Sale of goods or services		16.86	NA	8.43	0	0									
11	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM FORTUNE SOLUTIONS LIMITED	ASSOCIATES	Any other transaction	EXPENSES REIMBURSEMENT	6.86	NA	3.43	0	0									
12	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM FORTUNE SOLUTIONS LIMITED	ASSOCIATES	Any other transaction	EXPENSES PAYABLE	0	NA	0	288.29	494.57									
13	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM FORTUNE SOLUTIONS LIMITED	ASSOCIATES	Any other transaction	DEPOSITS HELD WITH US	0	NA	0	211.39	0									
14	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM INSIGHT SHARE BROKERS LIMITED	ASSOCIATES	Purchase of goods or services		49.78	NA	24.89	0	0									
15	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM INSIGHT SHARE BROKERS LIMITED	ASSOCIATES	Sale of goods or services		1.1	NA	0.55	0	0									
16	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM INSIGHT SHARE BROKERS LIMITED	ASSOCIATES	Any other transaction	EXPENSES REIMBURSEMENT	1.14	NA	0.57	0	0									
17	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM INSIGHT SHARE BROKERS LIMITED	ASSOCIATES	Any other transaction	EXPENSES PAYABLE	0	NA	0	2.75	4.01									
18	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM WEALTH ADVISORS LIMITED	ASSOCIATES	Purchase of goods or services		6.96	NA	3.48	0	0									
19	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM WEALTH ADVISORS LIMITED	ASSOCIATES	Any other transaction	EXPENSES PAYABLE	0	NA	0	0.52	0.94									
20	SHRIRAM CITY UNION FINANCE LIMITED	WAYZWEALTH SECURITIES PVT LTD	ASSOCIATES	Purchase of goods or services		1.3	NA	0.65	0	0									
21	SHRIRAM CITY UNION FINANCE LIMITED	WAYZWEALTH SECURITIES PVT LTD	ASSOCIATES	Any other transaction	EXPENSES PAYABLE	0	NA	0	0.03	0.11									
22	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM LIFE INSURANCE COMPANY LIMITED	ASSOCIATES	Interest paid		529.86	NA	264.93	0	0									
23	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM LIFE INSURANCE COMPANY LIMITED	ASSOCIATES	Purchase of goods or services		852.34	NA	426.17	0	0									
24	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM LIFE INSURANCE COMPANY LIMITED	ASSOCIATES	Sale of goods or services		786.54	NA	393.27	0	0									
25	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM LIFE INSURANCE COMPANY LIMITED	ASSOCIATES	Any other transaction	EXPENSES PAYABLE	0	NA	0	4.96	4.96									
26	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM LIFE INSURANCE COMPANY LIMITED	ASSOCIATES	Any other transaction	NCDS HELD WITH US	0	NA	0	6630.03	5543.39									
27	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM LIFE INSURANCE COMPANY LIMITED	ASSOCIATES	Any other transaction	RECEIVABLE	0	NA	0	255.61	40.61									
28	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM ASSET MANAGEMENT COMPANY LIMITED	ASSOCIATES	Interest paid		86.64	NA	43.32	0	0									
29	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM ASSET MANAGEMENT COMPANY LIMITED	ASSOCIATES	Any other transaction	DEPOSITS HELD WITH US	0	NA	0	1049.08	1094.74									
30	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM GENERAL INSURANCE COMPANY LIMITED	ASSOCIATES	Interest paid		1824.44	NA	912.22	0	0									
31	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM GENERAL INSURANCE COMPANY LIMITED	ASSOCIATES	Purchase of goods or services		529.22	NA	263.11	0	0									
32	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM GENERAL INSURANCE COMPANY LIMITED	ASSOCIATES	Sale of goods or services		636.88	NA	318.44	0	0									
33	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM GENERAL INSURANCE COMPANY LIMITED	ASSOCIATES	Any other transaction	NCDS HELD WITH US	0	NA	0	17599.41	18440.47									
34	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM GENERAL INSURANCE COMPANY LIMITED	ASSOCIATES	Any other transaction	RECEIVABLE	0	NA	0	85.66	166.30									
35	SHRIRAM CITY UNION FINANCE LIMITED	NOVAC TECHNOLOGY SOLUTIONS PRIVATE LIMITED	ASSOCIATES	Purchase of goods or services		6470.98	NA	3235.49	0	0									
36	SHRIRAM CITY UNION FINANCE LIMITED	NOVAC TECHNOLOGY SOLUTIONS PRIVATE LIMITED	ASSOCIATES	Any other transaction	EXPENSES PAYABLE	0	NA	0	225.02	592.53									
37	SHRIRAM CITY UNION FINANCE LIMITED	NOVAC TECHNOLOGY SOLUTIONS PRIVATE LIMITED	ASSOCIATES	Any other transaction	RECEIVABLE	0	NA	0	0.4	0.72									
38	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM CAPITAL LIMITED	ENTERPRISES HAVING SIGNIFICANT INFLUENCE OVER THE COMPANY	Purchase of goods or services		2016.5	NA	1008.25	0	0									
39	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM CAPITAL LIMITED	ENTERPRISES HAVING SIGNIFICANT INFLUENCE OVER THE COMPANY	Any other transaction	SHARE CAPITAL	0	NA	0	2237.16	2237.16									
40	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM HOUSING FINANCE LIMITED	SUBSIDIARY	Purchase of goods or services		11.78	NA	5.89	0	0									
41	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM HOUSING FINANCE LIMITED	SUBSIDIARY	Any other transaction	PAYMENT FOR ASSIGNMEN	3375.84	NA	1687.92	0	0									
42	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM HOUSING FINANCE LIMITED	SUBSIDIARY	Sale of goods or services		43.56	NA	21.78	0	0									
43	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM HOUSING FINANCE LIMITED	SUBSIDIARY	Any other transaction	EXPENSES REIMBURSEMENT	10.28	NA	5.14	0	0									

44	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM HOUSING FINANCE LIMITED	SUBSIDIARY	Sale of goods or services		6.58	NA	3.29	0	0								
45	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM HOUSING FINANCE LIMITED	SUBSIDIARY	Investment		0	NA	0	66727.91	66727.91				Investment	0	0	Unsecured	BUSINESS GROWTH
46	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM HOUSING FINANCE LIMITED	SUBSIDIARY	Any other transaction	EXPENSES PAYABLE	0	NA	0	51.46	57.37								
47	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM HOUSING FINANCE LIMITED	SUBSIDIARY	Any other transaction	RECEIVABLE	0	NA	0	23.39	23.21								
48	SHRIRAM CITY UNION FINANCE LIMITED	DYNASTY ACQUISITION FPI LIMITED	ENTERPRISES HAVING SIGNIFICANT INFLUENCE OVER THE COMPANY	Any other transaction	SHARE CAPITAL	0	NA	0	1142.19	1116.47								
49	SHRIRAM CITY UNION FINANCE LIMITED	SHRIRAM OWNERSHIP TRUST	ENTERPRISES HAVING SIGNIFICANT INFLUENCE OVER THE COMPANY	Any other transaction	SHARE CAPITAL	0	NA	0	48.84	48.84								
50	SHRIRAM CITY UNION FINANCE LIMITED	C R DASH	KEY MANAGERIAL PERSONNEL	Any other transaction	SHARE CAPITAL	0	NA	0	1.18	1.25								
51	SHRIRAM CITY UNION FINANCE LIMITED	Y.S. CHAKRAVARTI	KEY MANAGERIAL PERSONNEL	Remuneration		70.7	NA	35.1	0	0								
52	SHRIRAM CITY UNION FINANCE LIMITED	C R DASH	KEY MANAGERIAL PERSONNEL	Remuneration		63.94	NA	31.67	0	0								
53	SHRIRAM CITY UNION FINANCE LIMITED	R CHANDRASEKAR	KEY MANAGERIAL PERSONNEL	Remuneration		57.64	NA	28.82	0	0								
54	SHRIRAM CITY UNION FINANCE LIMITED	Y.S. CHAKRAVARTI	KEY MANAGERIAL PERSONNEL	Remuneration		12.78	NA	6.39	0	0								
55	SHRIRAM CITY UNION FINANCE LIMITED	C R DASH	KEY MANAGERIAL PERSONNEL	Remuneration		9.58	NA	4.79	0	0								
56	SHRIRAM CITY UNION FINANCE LIMITED	R CHANDRASEKAR	KEY MANAGERIAL PERSONNEL	Remuneration		12.54	NA	6.27	0	0								
57	SHRIRAM CITY UNION FINANCE LIMITED	Y.S. CHAKRAVARTI	KEY MANAGERIAL PERSONNEL	Remuneration		9.4	NA	4.7	0	0								
58	SHRIRAM CITY UNION FINANCE LIMITED	C R DASH	KEY MANAGERIAL PERSONNEL	Remuneration		6.28	NA	3.14	0	0								
59	SHRIRAM CITY UNION FINANCE LIMITED	R CHANDRASEKAR	KEY MANAGERIAL PERSONNEL	Remuneration		8.26	NA	4.12	0	0								
60	SHRIRAM CITY UNION FINANCE LIMITED	DEBENDRANATH SARANGI	KEY MANAGERIAL PERSONNEL	Any other transaction	DIRECTOR SITTING FEES	11.44	NA	5.72	0	0								
61	SHRIRAM CITY UNION FINANCE LIMITED	DIWAKAR BHAGWATI GANDHI	KEY MANAGERIAL PERSONNEL	Any other transaction	DIRECTOR SITTING FEES	16.34	NA	8.17	0	0								
62	SHRIRAM CITY UNION FINANCE LIMITED	MAYA S SINHA	KEY MANAGERIAL PERSONNEL	Any other transaction	DIRECTOR SITTING FEES	14.72	NA	7.36	0	0								
63	SHRIRAM CITY UNION FINANCE LIMITED	VENKATARAMAN MURALI	KEY MANAGERIAL PERSONNEL	Any other transaction	DIRECTOR SITTING FEES	14.72	NA	7.36	0	0								
64	SHRIRAM HOUSING FINANCE LIMITED	VEDMATARAMAN MURALI	KEY MANAGERIAL PERSONNEL	Any other transaction	DIRECTOR SITTING FEES	15.26	NA	7.63	0	0								
65	SHRIRAM HOUSING FINANCE LIMITED	LAKSHMINARYANAN PRIYADARSHINI	KEY MANAGERIAL PERSONNEL	Any other transaction	DIRECTOR SITTING FEES	8.72	NA	4.36	0	0								
66	SHRIRAM HOUSING FINANCE LIMITED	SUBRAMANIAN JAMBUNATHAN	KEY MANAGERIAL PERSONNEL	Remuneration		265.63664	NA	132.82	0	0								
67	SHRIRAM HOUSING FINANCE LIMITED	SUBRAMANIAN JAMBUNATHAN	KEY MANAGERIAL PERSONNEL	Remuneration		62.89572	NA	31.45	0	0								
68	SHRIRAM HOUSING FINANCE LIMITED	GAURI SHANKAR AGARWAL	KEY MANAGERIAL PERSONNEL	Remuneration		158.58072	NA	79.29	0	0								
69	SHRIRAM HOUSING FINANCE LIMITED	GAURI SHANKAR AGARWAL	KEY MANAGERIAL PERSONNEL	Remuneration		8.85088	NA	4.43	0	0								
70	SHRIRAM HOUSING FINANCE LIMITED	GAURI SHANKAR AGARWAL	KEY MANAGERIAL PERSONNEL	Advance		0	NA	20	0	0				Advance	0	0	Unsecured	SALARY ADVANICE
71	SHRIRAM HOUSING FINANCE LIMITED	GAURI SHANKAR AGARWAL	KEY MANAGERIAL PERSONNEL	Any other transaction	LOAN EMI RECEIVED	16.72626	NA	8.36	0	0								
72	SHRIRAM HOUSING FINANCE LIMITED	PUJA R SHAH	KEY MANAGERIAL PERSONNEL	Remuneration		14.90448	NA	7.45	0	0								
73	SHRIRAM HOUSING FINANCE LIMITED	SHRIRAM FINANCIAL PRODUCTS SOLUTIONS (CHENNAI) PRIVATE LIMITED	ENTERPRISES HAVING SIGNIFICANT INFLUENCE OVER THE COMPANY	Purchase of goods or services		1.46	NA	0.73	0	0								
74	SHRIRAM HOUSING FINANCE LIMITED	SHRIRAM FINANCIAL PRODUCTS SOLUTIONS (CHENNAI) PRIVATE LIMITED	ENTERPRISES HAVING SIGNIFICANT INFLUENCE OVER THE COMPANY	Purchase of goods or services		2112.22	NA	1056.11	0	0								
75	SHRIRAM HOUSING FINANCE LIMITED	SHRIRAM INSIGHT SHARE BROKERS LIMITED	ENTERPRISES HAVING SIGNIFICANT INFLUENCE OVER THE COMPANY	Purchase of goods or services		0.59732	NA	0.3	0	0								
76	SHRIRAM HOUSING FINANCE LIMITED	SHRIRAM LIFE INSURANCE COMPANY LIMITED	ENTERPRISES HAVING SIGNIFICANT INFLUENCE OVER THE COMPANY	Purchase of goods or services		22.32088	NA	11.16	0	0								
77	SHRIRAM HOUSING FINANCE LIMITED	SHRIRAM GENERAL INSURANCE COMPANY LIMITED	ENTERPRISES HAVING SIGNIFICANT INFLUENCE OVER THE COMPANY	Purchase of goods or services		0	NA	0	0	0								
78	SHRIRAM HOUSING FINANCE LIMITED	SHRIRAM VALUE SERVICES LIMITED	ENTERPRISES HAVING SIGNIFICANT INFLUENCE OVER THE COMPANY	Purchase of goods or services		766.24	NA	383.12	0	0								
79	SHRIRAM HOUSING FINANCE LIMITED	SHRIRAM LIFE INSURANCE COMPANY LIMITED	ENTERPRISES HAVING SIGNIFICANT INFLUENCE OVER THE COMPANY	Any other transaction	EXPENSES REIMBURSMENT	1.86	NA	0.93	0	0								
80	SHRIRAM HOUSING FINANCE LIMITED	VAUANT MAURITIUS PARTNERS FDI LTD.	ENTERPRISES HAVING SIGNIFICANT INFLUENCE OVER THE COMPANY	Any other transaction	SHARE CAPITAL	0	NA	0	4872	4872								
81	SHRIRAM HOUSING FINANCE LIMITED	SHRIRAM FINANCIAL VENTURES (CHENNAI) PRIVATE LIMITED	ASSOCIATES	Any other transaction	EXPENSES PAYABLE	0	NA	0	3.26	12.49234								
82	SHRIRAM HOUSING FINANCE LIMITED	SHRIRAM VALUE SERVICES LIMITED	ASSOCIATES	Any other transaction	EXPENSES PAYABLE	0	NA	0	153.57	191.07								
83	SHRIRAM HOUSING FINANCE LIMITED	SHRIRAM INSIGHT SHARE BROKERS LIMITED	ASSOCIATES	Any other transaction	EXPENSES PAYABLE	0	NA	0	0.14	0								
84	SHRIRAM HOUSING FINANCE LIMITED	NOVAC TECHNOLOGY SOLUTIONS PRIVATE LIMITED	ENTERPRISES HAVING SIGNIFICANT INFLUENCE OVER THE COMPANY	Any other transaction	EXPENSES PAYABLE	0	NA	0	15.3	9.85								
85	SHRIRAM HOUSING FINANCE LIMITED	GAURI SHANKAR AGARWAL	KEY MANAGERIAL PERSONNEL	Advance		0	NA	0	20	0								
86	SHRIRAM HOUSING FINANCE LIMITED	GAURI SHANKAR AGARWAL	KEY MANAGERIAL PERSONNEL	Loan		0	NA	0	118.95	113.69								
87	SHRIRAM CITY UNION FINANCE LIMITED	NOVAC TECHNOLOGY SOLUTIONS PRIVATE LIMITED	ASSOCIATES	Purchase of goods or services		1308	NA	654	0	0								
88	SHRIRAM CITY UNION FINANCE LIMITED	C R DASH	KEY MANAGERIAL PERSONNEL	Remuneration		23.18	NA	11.59	0	0								
Total value of transaction during the reporting period								**19109.52**										

(Rs in lacs)

Details of the party (listed entity /subsidiary) entering into the transaction		Details of the counterparty			Type of related party transaction (see Note 5)	Value of the related party transaction as approved by the audit committee (see Note 6a)	Value of transaction during the reporting period (see Note 6b)	In case monies are due to either party as a result of the transaction (see Note 1)		Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken. In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
Name	PAN	Name	PAN	Relationship of the counterparty with the listed entity or its				Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost (see Note 7)	Tenure	Nature (loan/ advance/ inter-corporate deposit/ investment	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (end-usage)
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM VALUE SERVICES LIMITED		ASSOCIATES	ROYALTY EXPENSES	7,076.06	3,761.14	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM VALUE SERVICES LIMITED		ASSOCIATES	ROYALTY PAYABLE	NA	-	1,660.71	1,732.25								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM VALUE SERVICES LIMITED		ASSOCIATES	EXPENSES PAYABLE	NA	-	21.83	21.83								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM VALUE SERVICES LIMITED		ASSOCIATES	RECEIVABLES	NA	-	23.91	23.91								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM VALUE SERVICES LIMITED		ASSOCIATES	SHARE CAPITAL	NA	-	-	20.11								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM FINANCIAL PRODUCTS SOLUTIONS (CHENNAI) PRIVATE		ASSOCIATES	COMMISSION & OTHER EX	3,065.00	1,452.67	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM FINANCIAL PRODUCTS SOLUTIONS (CHENNAI) PRIVATE		ASSOCIATES	EXPENSES PAYABLE	NA	-	244.17	212.65								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM FINANCIAL PRODUCTS SOLUTIONS (CHENNAI) PRIVATE		ASSOCIATES	RECEIVABLE	NA	-	31.78	32.26								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM FORTUNE SOLUTIONS LIMITED		ASSOCIATES	COMMISSION & OTHER EXPENSES	3,643.00	1,581.48	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM FORTUNE SOLUTIONS LIMITED		ASSOCIATES	INTEREST EXPENSES	NA	7.31	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM FORTUNE SOLUTIONS LIMITED		ASSOCIATES	RENT INCOME	17.00	8.19	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM FORTUNE SOLUTIONS LIMITED		ASSOCIATES	EXPENSES REIMBURSEMENT	8.00	3.61	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM FORTUNE SOLUTIONS LIMITED		ASSOCIATES	EXPENSES PAYABLE	NA	-	303.34	288.29								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM FORTUNE SOLUTIONS LIMITED		ASSOCIATES	DEPOSITS HELD WITH US	NA	-	204.70	211.19								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM INSIGHT SHARE BROKERS LIMITED		ASSOCIATES	COMMISSION & OTHER EXPENSES	142.00	24.16	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM INSIGHT SHARE BROKERS LIMITED		ASSOCIATES	RENT INCOME	3.00	0.54	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM INSIGHT SHARE BROKERS LIMITED		ASSOCIATES	EXPENSES REIMBURSEMENT	2.00	0.55	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM INSIGHT SHARE BROKERS LIMITED		ASSOCIATES	EXPENSES PAYABLE	NA	-	11.71	2.75								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM WEALTH ADVISORS LIMITED		ASSOCIATES	COMMISSION & OTHER EXPENSES	13.45	8.79	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM WEALTH ADVISORS LIMITED		ASSOCIATES	EXPENSES PAYABLE	NA	-	0.89	0.52								
SHRIRAM CITY UNION FINANCE LIMITED		WAY2WEALTH SECURITIES PVT LTD		ASSOCIATES	COMMISSION & OTHER EXPENSES	2.14	2.14	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		WAY2WEALTH SECURITIES PVT LTD		ASSOCIATES	EXPENSES PAYABLE	NA	-	-	0.03								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM LIFE INSURANCE COMPANY LIMITED		ASSOCIATES	INTEREST EXPENSES	NA	301.63	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM LIFE INSURANCE COMPANY LIMITED		ASSOCIATES	INSURANCE EXPENSES	690.77	424.97	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM LIFE INSURANCE COMPANY LIMITED		ASSOCIATES	COMMISSION INCOME	705.00	510.83	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM LIFE INSURANCE COMPANY LIMITED		ASSOCIATES	EXPENSES PAYABLE	NA	-	4.36	4.36								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM LIFE INSURANCE COMPANY LIMITED		ASSOCIATES	NCDS HELD WITH US	NA	-	6,454.49	6,630.03								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM LIFE INSURANCE COMPANY LIMITED		ASSOCIATES	RECEIVABLES	NA	-	25.22	255.61								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM ASSET MANAGEMENT COMPANY LIMITED		ASSOCIATES	INTEREST EXPENSES	NA	44.54	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM ASSET MANAGEMENT COMPANY LIMITED		ASSOCIATES	DEPOSITS HELD WITH US	NA	-	1,097.56	1,049.08								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM GENERAL INSURANCE COMPANY LIMITED		ASSOCIATES	INTEREST EXPENSES	NA	168.66	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM GENERAL INSURANCE COMPANY LIMITED		ASSOCIATES	INSURANCE EXPENSES	486.61	271.51	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM GENERAL INSURANCE COMPANY LIMITED		ASSOCIATES	COMMISSION INCOME	530.00	250.47	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM GENERAL INSURANCE COMPANY LIMITED		ASSOCIATES	NCDS HELD WITH US	NA	-	-	17,599.41								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM GENERAL INSURANCE COMPANY LIMITED		ASSOCIATES	RECEIVABLES	NA	-	108.19	85.66								
SHRIRAM CITY UNION FINANCE LIMITED		NOVAC TECHNOLOGY SOLUTIONS PRIVATE LIMITED		ASSOCIATES	PROFESSIONAL CHARGES EXPENSES	5,800.46	2,923.54	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		NOVAC TECHNOLOGY SOLUTIONS PRIVATE LIMITED		ASSOCIATES	EXPENSES PAYABLE	NA	-	525.37	225.02								
SHRIRAM CITY UNION FINANCE LIMITED		NOVAC TECHNOLOGY SOLUTIONS PRIVATE LIMITED		ASSOCIATES	RECEIVABLES	NA	-	0.40	0.40								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM CAPITAL LIMITED		ENTERPRISES HAVING	FEE EXPENSES	2,031.07	1,015.53	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM CAPITAL LIMITED		ENTERPRISES HAVING	EQUITY DIVIDEND PAID	NA	8,277.49	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM CAPITAL LIMITED		ENTERPRISES HAVING	SHARE CAPITAL	NA	-	2,237.16	2,237.16								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM HOUSING FINANCE LIMITED		SUBSIDIARY	RENT AND OTHER EXPENSES	10.99	5.97	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM HOUSING FINANCE LIMITED		SUBSIDIARY	PAYMENT FOR ASSIGNMENT	NA	2,007.08	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM HOUSING FINANCE LIMITED		SUBSIDIARY	RENT INCOME	43.32	22.47	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM HOUSING FINANCE LIMITED		SUBSIDIARY	EXPENSES REIMBURSEMENT	11.16	5.60	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM HOUSING FINANCE LIMITED		SUBSIDIARY	COLLECTION FEES INCOME	3.50	2.73	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM HOUSING FINANCE LIMITED		SUBSIDIARY	RECEIPT FROM ASSIGNMENT	NA	4,570.02	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM HOUSING FINANCE LIMITED		SUBSIDIARY	INVESTMENT IN SHARES (INCLUDING DEEMED	50,000.00	50,000.00	36,727.91	66,727.91				INVESTMENT	NA	NA	UNSECURED	BUSINESS GROWTH
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM HOUSING FINANCE LIMITED		SUBSIDIARY	EXPENSES PAYABLE	NA	-	48.25	51.46								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM HOUSING FINANCE LIMITED		SUBSIDIARY	RECEIVABLES	NA	-	21.54	23.29								
SHRIRAM CITY UNION FINANCE LIMITED		DYNASTY ACQUISITION FPI LIMITED		ENTERPRISES HAVING	EQUITY DIVIDEND PAID	NA	4,966.09	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		DYNASTY ACQUISITION FPI LIMITED		ENTERPRISES HAVING	SHARE CAPITAL	NA	-	1,342.19	1,342.19								

SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM FINANCIAL VENTURES (CHENNAI) PRIVATE LIMITED	ASSOCIATES	EQUITY DIVIDEND PAID	NA	48.84	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM FINANCIAL VENTURES (CHENNAI) PRIVATE LIMITED	ASSOCIATES	SHARE CAPITAL	NA	-	48.84	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM OWNERSHIP TRUST	ENTERPRISES HAVING	EQUITY DIVIDEND PAID	NA	131.86	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		SHRIRAM OWNERSHIP TRUST	ENTERPRISES HAVING	SHARE CAPITAL	NA	-	-	48.84								
SHRIRAM CITY UNION FINANCE LIMITED		C R DASH	KEY MANAGERIAL	EQUITY DIVIDEND PAID	NA	4.00	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		C R DASH	KEY MANAGERIAL	SHARE CAPITAL	NA	-	0.82	1.18								
SHRIRAM CITY UNION FINANCE LIMITED		Y.S. CHAKRAVARTI	KEY MANAGERIAL	SHORT- TERM EMPLOYEE BENEFITS	77.12	45.43	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		C R DASH	KEY MANAGERIAL	SHORT–TERM EMPLOYEE BENEFITS	57.36	28.80	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		R CHANDRASEKAR	KEY MANAGERIAL	SHORT– TERM EMPLOYEE BENEFITS	58.23	32.12	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		Y.S. CHAKRAVARTI	KEY MANAGERIAL	POST–EMPLOYMENT PENSION (DEFINED	11.62	5.80	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		C R DASH	KEY MANAGERIAL	POST–EMPLOYMENT PENSION (DEFINED	8.71	4.36	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		R CHANDRASEKAR	KEY MANAGERIAL	POST–EMPLOYMENT PENSION (DEFINED	11.45	5.73	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		Y.S. CHAKRAVARTI	KEY MANAGERIAL	OTHER LONG TERM EMPLOYEE BENEFITS	6.57	2.54	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		C R DASH	KEY MANAGERIAL	OTHER LONG TERM EMPLOYEE BENEFITS	4.58	1.90	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		R CHANDRASEKAR	KEY MANAGERIAL	OTHER LONG TERM EMPLOYEE BENEFITS	6.16	2.50	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		DEBENDRANATH SARANGI	KEY MANAGERIAL	DIRECTOR SITTING FEES	13.90	8.18	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		DIWAKAR BHAGWATI GANDHI	KEY MANAGERIAL	DIRECTOR SITTING FEES	14.72	9.00	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		MAYA S SINHA	KEY MANAGERIAL	DIRECTOR SITTING FEES	16.08	8.99	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		PRANAB PRAKASH PATTANAYAK	KEY MANAGERIAL	DIRECTOR SITTING FEES	8.99	3.27	-	-								
SHRIRAM CITY UNION FINANCE LIMITED		VENKATARAMAN MURALI	KEY MANAGERIAL	DIRECTOR SITTING FEES	15.53	8.99	-	-								
SHRIRAM HOUSING FINANCE LIMITED		VENKATARAMAN MURALI	KEY MANAGERIAL	DIRECTOR SITTING FEES	10.36	6.27	-	-								
SHRIRAM HOUSING FINANCE LIMITED		LAKSHMINARYANAN PRIYADARSHINI	KEY MANAGERIAL	DIRECTOR SITTING FEES	11.99	7.36	-	-								
SHRIRAM HOUSING FINANCE LIMITED		SUBRAMANIAN JAMBUNATHAN	KEY MANAGERIAL	SHORT–TERM EMPLOYEE BENEFITS	214.15	102.57	-	-								
SHRIRAM HOUSING FINANCE LIMITED		SUBRAMANIAN JAMBUNATHAN	KEY MANAGERIAL	SHARE BASED PAYMENTS	80.46	36.65	-	-								
SHRIRAM HOUSING FINANCE LIMITED		GAURI SHANKAR AGARWAL	KEY MANAGERIAL	SHORT–TERM EMPLOYEE BENEFITS	85.89	44.10	-	-								
SHRIRAM HOUSING FINANCE LIMITED		GAURI SHANKAR AGARWAL	KEY MANAGERIAL	SHARE BASED PAYMENTS	7.64	5.78	-	-								
SHRIRAM HOUSING FINANCE LIMITED		GAURI SHANKAR AGARWAL	KEY MANAGERIAL	ADVANCES GIVEN	NA	20.00	-	-				ADVANCES	NA	NA	UNSECURED	SALARY ADVANCE
SHRIRAM HOUSING FINANCE LIMITED		GAURI SHANKAR AGARWAL	KEY MANAGERIAL	LOAN EMI RECEIVED	NA	6.90	-	-								
SHRIRAM HOUSING FINANCE LIMITED		BHAVITA ASHIYANI	KEY MANAGERIAL	SHORT TERM EMPLOYEE I	12.73	4.44	-	-								
SHRIRAM HOUSING FINANCE LIMITED		PUJA R SHAH	KEY MANAGERIAL	SHORT TERM EMPLOYEE I	2.04	2.04	-	-								
SHRIRAM HOUSING FINANCE LIMITED		SHRIRAM FINANCIAL PRODUCTS SOLUTIONS (CHENNAI) PRIVATE	ENTERPRISES HAVING	RENT PAID	1.37	0.72	-	-								
SHRIRAM HOUSING FINANCE LIMITED		SHRIRAM FINANCIAL PRODUCTS SOLUTIONS (CHENNAI) PRIVATE	ENTERPRISES HAVING	RENT & OTHER EXPENSES	521.00	360.86	-	-								
SHRIRAM HOUSING FINANCE LIMITED		SHRIRAM INSIGHT SHARE BROKERS LIMITED	ENTERPRISES HAVING	RENT & OTHER EXPENSES	1.00	0.58	-	-								
SHRIRAM HOUSING FINANCE LIMITED		SHRIRAM LIFE INSURANCE COMPANY LIMITED	ENTERPRISES HAVING	RENT & OTHER EXPENSES	32.00	2.16	-	-								
SHRIRAM HOUSING FINANCE LIMITED		SHRIRAM GENERAL INSURANCE COMPANY LIMITED	ENTERPRISES HAVING	RENT & OTHER EXPENSES	16.00	14.05	-	-								
SHRIRAM HOUSING FINANCE LIMITED		NOVAC TECHNOLOGY SOLUTIONS PRIVATE LIMITED	ENTERPRISES HAVING	RENT & OTHER EXPENSES	547.96	276.68	-	-								
SHRIRAM HOUSING FINANCE LIMITED		SHRIRAM VALUE SERVICES LIMITED	ENTERPRISES HAVING	ROYALTY EXPENSES	527.80	382.87	-	-								
SHRIRAM HOUSING FINANCE LIMITED		SHRIRAM LIFE INSURANCE COMPANY LIMITED	ENTERPRISES HAVING	EXPENSES REIMBURSEME	6.00	1.95	-	-								
SHRIRAM HOUSING FINANCE LIMITED		VALIANT MAURITIUS PARTNERS FDI LTD.	ENTERPRISES HAVING	SHARE CAPITAL	NA	-	4,872.00	4,872.00								
SHRIRAM HOUSING FINANCE LIMITED		SHRIRAM FINANCIAL VENTURES (CHENNAI) PRIVATE LIMITED	ASSOCIATES	EXPENSES PAYABLE	NA	-	21.36	3.25								
SHRIRAM HOUSING FINANCE LIMITED		SHRIRAM VALUE SERVICES LIMITED	ASSOCIATES	EXPENSES PAYABLE	NA	-	122.55	153.57								
SHRIRAM HOUSING FINANCE LIMITED		SHRIRAM INSIGHT SHARE BROKERS LIMITED	ASSOCIATES	EXPENSES PAYABLE	NA	-	0.03	0.14								
SHRIRAM HOUSING FINANCE LIMITED		NOVAC TECHNOLOGY SOLUTIONS PRIVATE LIMITED	ENTERPRISES HAVING	EXPENSES PAYABLE	NA	-	50.65	15.30								
SHRIRAM HOUSING FINANCE LIMITED		GAURI SHANKAR AGARWAL	KEY MANAGERIAL	ADVANCES RECEIVABLE	20.00	-	-	20.00								
SHRIRAM HOUSING FINANCE LIMITED		GAURI SHANKAR AGARWAL	KEY MANAGERIAL	LOAN RECEIVABLE	15.26	-	121.83	118.55								

Sundaram & Srinivasan
Chartered Accountants
23 C P Ramaswamy Road
Alwarpet,
Chennai 600018

KKC & Associates LLP
Chartered Accountants
Level-19, Sunshine Tower,
Senapati Bapat Marg,
Elphinstone Road,
Mumbai, Maharashtra 400013

Independent Auditor's review report on unaudited standalone quarterly financial results of Shriram Finance Limited (formerly Shriram Transport Finance Company Limited) under Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Shriram Finance Limited (formerly "Shriram Transport Finance Company Limited")

Introduction

1. We have reviewed the accompanying statement of unaudited standalone financial results of Shriram Finance Limited (formerly "Shriram Transport Finance Company Limited") ('the Company') for the quarter ended 31 December 2022 and year to date results for the period from 1 April 2022 to 31 December 2022 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ('Ind AS') 34 'Interim Financial Reporting' specified in section 133 of the Companies Act, 2013, the circulars, guidelines and directions issued by Reserve Bank of India ('RBI') from time to time ('RBI guidelines') and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

3. We conducted our review in accordance with the Standard on Review Engagements ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as above and based on the consideration of reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Ind AS and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR Road, Chennai 600 018.

KKC & associates llp Chartered Accountants

accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Other Matter

5. We draw attention to note 4 of the Statement which states that the Composite Scheme of Arrangement and Amalgamation ("Scheme"), has been given effect to based on the Appointed date 01 April 2022 as approved by National Company Law Tribunal which is deemed to be the acquisition date for the purpose of accounting under Ind AS 103 'Business Combinations'. Consequently, figures for the three months ended 30 September 2022 presented has been restated. The financial information of the erstwhile Shriram City Union Finance Limited ("erstwhile company") for the three and six months ended 30 September 2022 have been reviewed by joint auditors of the erstwhile company whose reports dated 21 October 2022 have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts with respect of this erstwhile company, is based solely on the reports of the erstwhile joint auditors, as adjusted for the accounting effects of the Scheme recorded by the Parent (in particular, the accounting effects for Ind AS 103 'Business Combination') and other consequential adjustments, which have been reviewed by us. Our conclusion on the Statement is not modified in respect of this matter.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number - 004207S

SUNDARAM & SRINIVASAN ★ CHARTERED ACCOUNTANTS ★ New No:4, Old No:23, CPR Road, Chennai 600 018.

P Menakshi Sundaram
Partner
ICAI Membership Number: 217914
UDIN: 23217914BGWOZX7752
Place: Mumbai
Date: 31 January 2023

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

KKC & associates llp ★ Chartered Accountants

Gautam Shah
Partner
ICAI Membership Number: 117348
UDIN: 23117348BGSZGX5361
Place: Mumbai
Date: 31 January 2023

SHRIRAM FINANCE LIMITED (formerly Shriram Transport Finance Company Limited)
CIN: L65191TN1979PLC007874
Regd. Office: Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu.
Tel. No: +91 44 4852 4666, Fax: +91 44 4852 5666. Website-www.shriramfinance.in, email-secretarial@shriramfinance.in

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

(Rs. in crores)

Sr. No.	Particulars	Quarter Ended			Nine months Ended		Year Ended
		31.12.2022 (Unaudited)	30.09.2022 (Unaudited) Restated - Refer Note 5	31.12.2021 (Unaudited)	31.12.2022 (Unaudited)	31.12.2021 (Unaudited)	31.03.2022 (Audited)
	Revenue from operations						
(i)	Interest Income	7,173.97	7,002.39	4,660.68	20,860.45	13,718.10	18,646.26
(ii)	Dividend Income	-	5.34	-	6.52	-	-
(iii)	Rental Income	0.04	0.04	0.05	0.12	0.13	0.17
(iv)	Fees and Commission Income	193.63	138.91	24.83	500.05	70.30	100.08
(v)	Net Gain on Fair Value Changes	97.01	105.97	61.65	256.62	167.31	221.70
(vi)	Net Gain on Derecognition of Financial Instruments under Amortised Cost Category	44.53	54.64	67.12	126.97	168.38	217.74
(vii)	Others	99.83	101.74	13.53	266.13	49.34	69.22
(I)	**Total Revenue from operations**	**7,609.01**	**7,409.03**	**4,827.86**	**22,016.86**	**14,173.56**	**19,255.17**
(II)	**Other Income**	**3.28**	**9.56**	**4.47**	**17.60**	**13.08**	**19.06**
(III)	**Total Income (I+II)**	**7,612.29**	**7,418.59**	**4,832.33**	**22,034.46**	**14,186.64**	**19,274.23**
	Expenses						
(i)	Finance Costs	3,111.96	3,224.89	2,397.25	9,281.25	7,330.59	9,734.31
(ii)	Fees and Commission Expenses	101.74	92.81	17.51	253.53	80.21	91.74
(iii)	Impairment on Financial Instruments (Refer Note 3)	917.25	897.59	984.27	2,974.53	3,100.07	3,860.86
(iv)	Employee Benefit Expenses	639.10	583.10	242.87	1,815.39	722.21	997.09
(v)	Depreciation, Amortization and Impairment	58.09	54.17	34.66	166.32	100.77	135.37
(vi)	Other Expenses	399.80	469.79	232.48	1,254.94	654.16	905.61
(IV)	**Total Expenses**	**5,227.94**	**5,322.35**	**3,909.04**	**15,745.96**	**11,988.01**	**15,724.98**
(V)	**Profit Before Exceptional Items and Tax (III - IV)**	**2,384.35**	**2,096.24**	**923.29**	**6,288.50**	**2,198.63**	**3,549.25**
(VI)	**Exceptional Items**	-	-	-	-	-	-
(VII)	**Profit Before Tax (V +VI)**	**2,384.35**	**2,096.24**	**923.29**	**6,288.50**	**2,198.63**	**3,549.25**
(VIII)	**Tax expense:**						
(1)	Current Tax	804.91	696.34	338.66	2,175.82	958.90	1,112.57
(2)	Deferred Tax	(196.94)	(155.21)	(95.99)	(557.76)	(382.07)	(188.93)
(3)	Tax Adjustment for Earlier Years	(0.59)	-	-	(0.59)	-	(82.32)
(IX)	**Profit for the Period (VII -VIII)**	**1,776.97**	**1,555.11**	**680.62**	**4,671.03**	**1,621.80**	**2,707.93**
(X)	**Other Comprehensive Income**						
(A) (i)	Items that will not be reclassified to profit or loss						
	Remeasurement Gain/ (Loss) on Defined Benefit Plan	3.65	(0.61)	(0.78)	(6.73)	(4.02)	(3.24)
	Gain / (Loss) on Fair valuation of quoted investments in equity shares	8.07	0.98	-	(10.61)	-	-
(ii)	Income Tax relating to items that will not be reclassified to Profit or Loss	(2.95)	(0.10)	0.19	4.36	1.01	0.82
	Subtotal (A)	**8.77**	**0.27**	**(0.59)**	**(12.98)**	**(3.01)**	**(2.42)**
(B) (i)	Items that will be reclassified to profit or loss Cash Flow Hedge Reserve	(39.11)	(33.85)	50.96	(173.85)	26.38	(160.87)
(ii)	Income Tax relating to items that will be reclassified to Profit or Loss	9.84	8.52	(12.83)	43.75	(6.64)	40.49
	Subtotal (B)	**(29.27)**	**(25.33)**	**38.13**	**(130.10)**	**19.74**	**(120.38)**
	Other Comprehensive Income (A+B) for the period	**(20.50)**	**(25.06)**	**37.54**	**(143.08)**	**16.73**	**(122.80)**
(XI)	**Total Comprehensive Income for the period (IX+X)**	**1,756.47**	**1,530.05**	**718.16**	**4,527.95**	**1,638.53**	**2,585.13**
(XII)	**Paid-up Equity Share Capital (Face Value Rs. 10/- per share)**	**374.43**	**374.43**	**270.52**	**374.43**	**270.52**	**270.52**
(XIII)	**Other Equity**						**25,661.67**
(XIV)	**Earnings per Equity Share (Not annualised for the interim periods)**						
	Basic (Rs.)	47.46	41.53	25.26	124.75	61.26	101.74
	Diluted (Rs.)	47.26	41.37	25.26	124.24	61.26	101.74

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No. 4, Old No. 26, CPR Road, Chennai 600 018.

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SHRIRAM FINANCE LIMITED

Notes:

1 The above results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on January 31, 2023.

2 The standalone financial results for the quarter and nine months ended December 31, 2022 have been reviewed by the Statutory Auditors.

3 The Company holds management overlay of Rs. 1,651.39 crores as at December 31, 2022.

4 The Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") has approved the Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (SCL) with its Remaining undertaking with the Company and amalgamation of Shriram City Union Finance Limited (SCUF) with its entire undertaking with the Company, vide order dated November 9, 2022 to be read with Corrigendum order dated November 17, 2022 effective from Appointed date of the Scheme being April 01, 2022. Pursuant to the Scheme, the name of the Company is changed to Shriram Finance Limited upon receipt of necessary approval from the Registrar of Companies, Tamil Nadu, Chennai, Ministry of Corporate Affairs, with effect from November 30, 2022. Pursuant to the Scheme, new equity shares of face value of Rs. 10 each fully paid-up have been issued and allotted to the eligible shareholders of SCL and SCUF on December 12, 2022 as per the share exchange ratio contained in the Scheme. As per Ind AS 103, the amalgamation has been accounted under "acquisition method" read with Paragraph 45 of the said Ind AS. The difference between the purchase consideration and fair value has been accounted as goodwill on amalgamation.

5 The figures for the previous periods after the appointed date for merger (i.e. April 01, 2022) have been restated to take the effect of transferor Companies SCUF and SCL for the said periods as discussed in note 4 above and are therefore not comparable with figures of the respective previous year periods or previously reported figures for the said quarters.

6 Disclosure pertaining to RBI Master Direction - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021

a Details of transfer through assignment in respect of loans not in default during the nine months period ended December 31, 2022:

Count of loans accounts assigned	33,851
Amount of loan accounts assigned (Rs. in crores)	1,054.12
Weighted average maturity (in months)	39
Weighted average holding period (in months)	10
Retention of beneficial economic interest (%)	10.00%
Coverage of tangible security	100.00%
Rating wise distribution of rated loans	Not Rated

b Details of acquired through assignment in respect of loans not in default during the nine months period ended December 31, 2022:

Count of loans accounts acquired	3,028
Amount of loan accounts acquired (Rs. in crores)	14.29
Weighted average maturity (in months)	21
Weighted average holding period (in months)	6
Retention of beneficial economic interest (%)	20.00%
Coverage of tangible security	142.00%
Rating wise distribution of rated loans	Not Rated

c The Company has neither acquired nor transferred any stressed loans during the nine months period ended December 31, 2022.

7 The Board of Directors had declared an interim dividend of 150% i.e. Rs.15/- per equity share of face value Rs.10/- each fully paid up for the Financial Year 2022-23, amounting to Rs. 5,616,409,140/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of interim dividend was January 4, 2023. The interim dividend was paid to eligible shareholders on January 13, 2023.

8 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

9 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached in Annexure 1.

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CIT Road, Chennai 600 018.

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SHRIRAM FINANCE LIMITED

10 The Company's secured non-convertible debentures are secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and mortgage of immovable property and with a cover of 100% and above as per the terms of issue.

11 As on December 31, 2022 the security cover available in respect of secured non-convertible debt securities is 1.09 times. The security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 2.

12 The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Operating segments.

13 The figures for the previous quarter / year have been regrouped/ rearranged wherever necessary to conform to the current period/ year

For Shriram Finance Limited
(formerly Shriram Transport Finance Company Limited)

Y. S. Chakravarti
Managing Director & CEO
DIN: 00052308

Place: Mumbai
Date: January 31, 2023

SHRIRAM FINANCE LIMITED

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR Road, Chennai 600 018.

kkc & associates llp Chartered Accountants

SHRIRAM FINANCE LIMITED (formerly Shriram Transport Finance Company Limited)
CIN: L65191TN1979PLC007874
Regd. Office: Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu.
Tel. No: +91 44 4852 4666, Fax: +91 44 4852 5666. Website-www.shriramfinance.in, email-secretarial@shriramfinance.in

Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Annexure 1

(Rs. in crores)

Sr. No.	Particulars	Standalone					
		Quarter Ended			Nine Months Ended		Year Ended
		31.12.2022 (Unaudited)	30.09.2022 (Unaudited) Restated - Refer Note 5	31.12.2021 (Unaudited)	31.12.2022 (Unaudited)	31.12.2021 (Unaudited)	31.03.2022 (Audited)
1	Debt-Equity Ratio (times) [1]	3.61	3.89	4.45	3.61	4.45	4.42
2	Debt Service Coverage Ratio [2]	NA	NA	NA	NA	NA	NA
3	Interest Service Coverage Ratio [2]	NA	NA	NA	NA	NA	NA
4	Outstanding Redeemable Preference Shares (Quantity)	Nil	Nil	Nil	Nil	Nil	Nil
5	Outstanding Redeemable Preference Shares (value) (Rs. in crores)	Nil	Nil	Nil	Nil	Nil	Nil
6	Capital Redemption Reserve (Rs. in crores)	53.88	53.88	53.88	53.88	53.88	53.88
7	Debenture Redemption Reserve (Rs. in crores)	307.28	307.28	921.41	307.28	921.41	307.28
8	Networth [3] (Rs. in crores)	42,315.66	40,548.87	25,282.57	42,315.66	25,282.57	25,904.55
9	Net Profit After Tax (Rs. in crores)	1,776.97	1,555.11	680.62	4,671.03	1,621.80	2,707.93
10	Earnings per equity share (Not annualised for the interim periods)						
	Basic (Rs.)	47.46	41.53	25.26	124.75	61.26	101.74
	Diluted (Rs.)	47.26	41.37	25.26	124.24	61.26	101.74
11	Current Ratio	NA	NA	NA	NA	NA	NA
12	Long Term Debt to Working Capital	NA	NA	NA	NA	NA	NA
13	Bad Debts to Accounts Receivable Ratio	NA	NA	NA	NA	NA	NA
14	Current Liability Ratio	NA	NA	NA	NA	NA	NA
15	Total Debts [4] to Total Assets	0.77	0.79	0.81	0.77	0.81	0.81
16	Debtors Turnover	NA	NA	NA	NA	NA	NA
17	Inventory Turnover	NA	NA	NA	NA	NA	NA
18	Operating Margin (%)	NA	NA	NA	NA	NA	NA
19	Net Profit Margin (%) [5]	23.34%	20.96%	14.08%	21.20%	11.43%	14.05%
20	Sector Specific equivalent Ratios						
	Capital Adequacy Ratio (%) [6]	22.99%	23.20%	23.31%	22.99%	23.31%	22.97%
	Gross NPA Ratio (%) [7]	6.29%	6.31%	8.40%	6.29%	8.40%	7.07%
	Net NPA Ratio(%) [8]	3.20%	3.32%	4.36%	3.20%	4.36%	3.67%
	NPA Provision Coverage Ratio (%) [9]	50.71%	49.06%	50.25%	50.71%	50.25%	49.97%
	Liquidity Coverage Ratio (%) [10]	242.93%	238.42%	164.99%	269.59%	164.99%	148.70%

Note

1 Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Deposit + Subordinated liabilities)/(Equity Share capital + Other equity)

2 The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are generally not applicable as per proviso to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3 Networth is calculated as defined in section 2(57) of Companies Act 2013.

4 Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Deposit + Subordinated liabilities)/ Total assets.

5 Net profit margin = Net profit after tax/ Total Income.

6 Capital ratio = Total Capital funds/ Risk weighted assets, calculated as per applicable RBI guidelines.

7 Gross NPA ratio (%) = Gross stage 3 loans/Gross Loans.

8 Net NPA ratio (%) = Net stage 3 loans/(Gross loans - ECL on stage 3 loans) where Net stage 3 loans = Gross stage 3 loans - ECL on stage 3 loans.

9 NPA Provision coverage ratio (%) = ECL on stage 3 loans/ Gross stage 3 loans.

10 Liquidity Coverage Ratio (LCR) is calculated as per circular no. RBI/2019-20/88DDR.NBFC.(PD) CC. No. 102/03.10.001/2019-20 dated November 04, 2019 issued by the Reserve Bank of India. As per the said circular, LCR is applicable from December 1, 2020.

11 NPA = Non-performing Assets.

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SHRIRAM FINANCE LIMITED

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Tel. No: +91 44 4852 4666, Fax: +91 44 4852 5666. Website-www.shriramfinance.in, email-secretarial@shriramfinance.in

Annexure 2

Standalone Security Cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rs. in crores)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Debts not backed by any assets offered as security (applicable only for liability side)	(Total C to J)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari-passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items Covered in column F)		Debt amount considered more than once (due to exclusive plus pari-passu charge			Market Value for Assets charged on Exclusive basis	Carrying/ book value for exclusive charge assets where market value is not ascertainable or applicable	Market Value for pari-passu charge Assets[viii]	Carrying value/ book value for pari-passu charge assets where market value is not ascertainable or applicable	Total Value (L + M + N + O)
													Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value									
ASSETS															
Property, Plant and Equipment	Freehold Land and Building	0.01					190.90			**190.91**	0.02				**0.02**
Capital Work-in-Progress							-			**-**					**-**
Right of Use Assets							486.87			**486.87**					**-**
Goodwill							1,408.63			**1,408.63**					**-**
Other Intangible Assets							1,518.78			**1,518.78**					**-**
Intangible Assets under Development							66.08			**66.08**					**-**
Investments							9,359.58			**9,359.58**					**-**
Loans	Loans / advances given (net of provisions, NPAs and sell down portfolio)	35,511.05	93,027.64				36,504.64			**1,65,043.34**		35,511.05			**35,511.05**
Inventories							-			**-**					**-**
Trade Receivables							24.93			**24.93**					**-**
Cash and Cash Equivalents							9,696.78			**9,696.78**					**-**
Bank Balances other than Cash and Cash Equivalents							7,046.93			**7,046.93**					**-**
Others							3,498.25			**3,498.25**					**-**
Total		**35,511.06**	**93,027.64**	**-**	**-**	**-**	**69,802.37**	**-**		**1,98,341.08**	**0.02**	**35,511.05**	**-**	**-**	**35,511.07**

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR Road, Chennai 600 018.

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SHRIRAM FINANCE LIMITED

Annexure 2

Standalone Security Cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rs. in crores)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Debts not backed by any assets offered as security (applicable only for liability side)	(Total C to J)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari-passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items Covered in column F)		Debt amount considered more than once (due to exclusive plus pari-passu charge			Market Value for Assets charged on Exclusive basis	Carrying/ book value for exclusive charge assets where market value is not ascertainable or applicable	Market Value for pari-passu charge Assets[viii]	Carrying value/ book value for pari-passu charge assets where market value is not ascertainable or applicable	Total Value (L + M + N + O)
													Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value									
LIABILITIES															-
Debt securities to which this certificate pertains		32,499.43	12,351.58	Yes			-		93.65	**44,944.66**					-
Other debt sharing pari-passu charge with above debt							-			-					-
Other Debt							-			-					-
Subordinated debt							-		4,635.02	**4,635.02**					-
Borrowings			69,251.77				-			**69,251.77**					-
Bank							-			-					-
Debt Securities							-			-					-
Others							34,496.12			**34,496.12**					-
Trade payables							302.37			**302.37**					-
Lease Liabilities							559.05			**559.05**					-
Provisions							180.23			**180.23**					-
Others							1,551.63			**1,551.63**					-
Total		**32,499.43**	**81,603.35**	-	-	-	**37,089.40**	-	**4,728.67**	**1,55,920.85**	-	-	-	-	-
Cover on Book Value															1.09
Cover on Market Value[ix]															
		Exclusive Security Cover Ratio	1.09		Pari-Passu Security Cover Ratio	-									

Notes:

1. We confirm that the Company has complied with the covenants mentioned in the disclosure documents of the Secured redeemable Non-convertible debentures for the period ended December 31, 2022.
2. The market value of Rs. 0.02 crore of the Freehold Land is on the basis of certified valuation done on May 23, 2022.

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SHRIRAM FINANCE LIMITED

Sundaram & Srinivasan
Chartered Accountants
23 C P Ramaswamy Road
Alwarpet,
Chennai 600018

KKC & Associates LLP
Chartered Accountants
Level-19, Sunshine Tower,
Senapati Bapat Marg,
Elphinstone Road,
Mumbai, Maharashtra 400013

Independent Auditor's review report on unaudited consolidated quarterly financial results of Shriram Finance Limited (formerly "Shriram Transport Finance Company Limited") under Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Shriram Finance Limited (formerly "Shriram Transport Finance Company Limited")

Introduction

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Shriram Finance Limited (formerly "Shriram Transport Finance Company Limited") ('the Parent' or 'the Company') and its subsidiary (the Parent and its subsidiary together referred to as 'the Group') and its share of the net profit after tax and total comprehensive income/(loss) of its associate for the quarter ended 31 December 2022 and year to date results for the period from 1 April 2022 to 31 December 2022 ('the Statement'), being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52(4) read with Regulation 63 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ('Ind AS') 34 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 and, the circulars, guidelines and directions issued by Reserve Bank of India ('RBI') from time to time ('RBI guidelines') other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

3. We conducted our review in accordance with the Standard on Review Engagements ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular Issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

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Chartered Accountants
23 C P Ramaswamy Road
Alwarpet,
Chennai 600018

KKC & Associates LLP
Chartered Accountants
Level-19, Sunshine Tower,
Senapati Bapat Marg,
Elphinstone Road,
Mumbai, Maharashtra 400013

4. The Statement includes the result of the following entities:

Name of the entity	Relationship
Shriram Finance Limited (formerly "Shriram Transport Finance Company Limited")	Parent
Shriram Housing Finance Limited	Subsidiary
Shriram Automall India Limited	Associate

Conclusion

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of reports of the other auditors referred to in paragraph 6 and 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Ind AS and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Other Matters

6. We draw attention to note 5 of the Statement which states that the Composite Scheme of Arrangement and Amalgamation ("Scheme"), has been given effect to based on the Appointed Date 01 April 2022 as approved by National Company Law Tribunal which is deemed to be the acquisition date for the purpose of accounting under Ind AS 103 'Business Combinations'. Consequently, figures for the three months ended 30 September 2022 presented has been restated. The financial information of the erstwhile Shriram City Union Finance Limited ("erstwhile company") for the three and six months ended 30 September 2022 have been reviewed by joint auditors of the erstwhile company whose reports dated 21 October 2022 have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts with respect of this erstwhile company, is based solely on the reports of the erstwhile joint auditors, as adjusted for the accounting effects of the Scheme recorded by the Parent (in particular, the accounting effects for Ind AS 103 'Business Combination') and other consequential adjustments, which have been reviewed by us. Our conclusion on the Statement is not modified in respect of the above matter.

7. We did not review the interim financial results of one subsidiary included in the Statement, whose interim financial results, reflect total revenues (before consolidation adjustment) of Rs.214.15 Crores and Rs.565.63 Crores, total net profit after tax (before consolidation adjustment) of Rs. 36.38 Crores and Rs. 100.62 Crores and total comprehensive income (before consolidation adjustment) of Rs. 36.03 Crores and of Rs. 100.01 Crores for the quarter ended 31 December 2022 and for the period from 1 April 2022 to 31 December 2022 respectively, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs. 1.52 Crores and Rs. 5.42 Crores and total comprehensive income of Rs. 1.42 Crores and Rs. 5.19 Crores for the quarter ended 31 December 2022 and for the period from 1 April 2022 to 31 December 2022, respectively, as considered in the Statement,

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in respect of one associate whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
ICAI Membership Number: 217914
UDIN: 23217914BGWOZY1596
Place: Mumbai
Date: 31 January 2023

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Gautam Shah
Partner
ICAI Membership Number: 117348
UDIN: 23117348BGSZGW6873
Place: Mumbai
Date: 31 January 2023

SHRIRAM FINANCE LIMITED (formerly Shriram Transport Finance Company Limited)
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Tel. No: +91 44 4852 4666, Fax: +91 44 4852 5666. Website-www.shriramfinance.in, email-secretarial@shriramfinance.in

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

(Rs. in crores)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2022 (Unaudited)	30.09.2022 (Unaudited) Restated - Refer Note 6	31.12.2021 (Unaudited)	31.12.2022 (Unaudited)	31.12.2021 (Unaudited)	31.03.2022 (Audited)
	Revenue from operations						
(i)	Interest Income	7,343.67	7,147.04	4,660.68	21,288.41	13,718.10	18,646.26
(ii)	Dividend Income	-	5.34	-	6.52	-	-
(iii)	Rental Income	0.05	0.07	0.05	0.18	0.13	0.17
(iv)	Fees and Commission Income	197.79	142.41	24.83	511.60	70.30	100.08
(v)	Net Gain on Fair Value Changes	121.56	131.25	61.65	322.72	167.31	221.70
(vi)	Net Gain on Derecognition of Financial Instruments under Amortised Cost Category	44.53	54.64	67.12	126.97	168.38	217.74
(vii)	Others	100.46	101.93	13.53	267.73	49.34	69.22
(I)	**Total Revenue from operations**	**7,808.06**	**7,582.68**	**4,827.86**	**22,524.13**	**14,173.56**	**19,255.17**
(II)	**Other Income**	**1.33**	**10.63**	**4.47**	**18.03**	**13.08**	**19.06**
(III)	**Total Income (I+II)**	**7,809.39**	**7,593.31**	**4,832.33**	**22,542.16**	**14,186.64**	**19,274.23**
	Expenses						
(i)	Finance Costs	3,234.93	3,304.76	2,397.25	9,547.72	7,330.59	9,734.31
(ii)	Fees and Commission Expenses	104.26	94.78	17.51	259.81	80.21	91.74
(iii)	Net Loss on Derecognition of Financial Instruments under Amortised Cost Category	9.61	-	-	9.61	-	-
(iv)	Impairment on Financial Instruments	918.68	902.12	984.27	2,983.70	3,100.07	3,860.86
(v)	Employee Benefit Expenses	673.60	608.08	242.87	1,899.95	722.21	997.09
(vi)	Depreciation, Amortization and Impairment	60.51	56.69	34.66	173.60	100.77	135.37
(vii)	Other Expenses	392.34	502.70	232.48	1,304.79	654.16	905.61
(IV)	**Total Expenses**	**5,393.93**	**5,469.13**	**3,909.04**	**16,179.18**	**11,988.01**	**15,724.98**
(V)	**Profit Before Exceptional Items and Tax (III - IV)**	**2,415.46**	**2,124.18**	**923.29**	**6,362.98**	**2,198.63**	**3,549.25**
(VI)	**Exceptional Items**	**-**	**-**	**-**	**-**	**-**	**-**
(VII)	**Profit Before Tax (V +VI)**	**2,415.46**	**2,124.18**	**923.29**	**6,362.98**	**2,198.63**	**3,549.25**
(VIII)	**Tax Expenses:**						
(1)	Current Tax	814.02	705.15	338.66	2,201.62	958.90	1,112.57
(2)	Deferred Tax	(198.11)	(156.89)	(95.99)	(564.48)	(382.07)	(188.93)
(3)	Tax Adjustment for Earlier Years	(0.59)	-	-	(0.59)	-	(82.32)
(IX)	**Profit for the period (VII -VIII)**	**1,800.14**	**1,575.92**	**680.62**	**4,726.43**	**1,621.80**	**2,707.93**
(X)	Share of Profit/ (Loss) of Associate	1.52	2.65	5.40	5.42	8.07	13.17
(XI)	**Net Profit After Taxes and Share of Profit/ (Loss) of Associate (IX+X)**	**1,801.66**	**1,578.57**	**686.02**	**4,731.85**	**1,629.87**	**2,721.10**
(XII)	**Other Comprehensive Income**						
(A) (i)	Items that will not be reclassified to Profit or Loss						
	Remeasurement Gain/ (Loss) on Defined Benefit Plan	3.28	(0.53)	(0.78)	(7.13)	(4.02)	(3.24)
	Gain / (loss) on Fair valuation of quoted investments in equity shares	8.07	0.98	-	(10.61)	-	-
(ii)	Income Tax relating to items that will not be reclassified to Profit or Loss	(2.86)	(0.12)	0.19	4.46	1.01	0.82
(iii)	Share in Other Comprehensive Income of Associate (Net of Tax)	(0.10)	0.01	0.01	(0.22)	(0.07)	(0.02)
	Subtotal (A)	**8.39**	**0.34**	**(0.58)**	**(13.50)**	**(3.08)**	**(2.44)**
(B) (i)	Items that will be reclassified to Profit or Loss Cash Flow Hedge Reserve	(39.20)	(34.16)	50.96	(174.25)	26.38	(160.87)
(ii)	Income Tax relating to items that will be reclassified to Profit or Loss	9.87	8.60	(12.83)	43.86	(6.64)	40.49
	Subtotal (B)	**(29.33)**	**(25.56)**	**38.13**	**(130.39)**	**19.74**	**(120.38)**
	Other Comprehensive Income for the period (A+B)	**(20.94)**	**(25.22)**	**37.55**	**(143.89)**	**16.66**	**(122.82)**
(XIII)	**Total Comprehensive Income for the period (XI+XII)**	**1,780.72**	**1,553.35**	**723.57**	**4,587.96**	**1,646.53**	**2,598.28**
(XIV)	**Profit for the period attributable to**						
	- Owners of the Company	1,798.88	1,576.14	-	4,725.85	-	-
	- Non-Controlling Interests	2.78	2.43	-	6.00	-	-
(XV)	**Other Comprehensive Income for the period attributable to**						
	- Owners of the Company	(20.89)	(25.19)	-	(143.80)	-	-
	- Non-Controlling Interests	(0.05)	(0.03)	-	(0.09)	-	-
(XVI)	**Total Comprehensive Income for the period attributable to**						
	- Owners of the Company	1,777.99	1,550.95	-	4,582.05	-	-
	- Non-Controlling Interests	2.73	2.40	-	5.91	-	-
(XVII)	**Paid-up Equity Share Capital (Face Value Rs. 10/- per share)**	**374.43**	**374.43**	**270.52**	**374.43**	**270.52**	**270.52**
(XVIII)	**Other Equity**						**25,823.74**
(XIX)	**Earnings per Equity Share (Not annualised for the interim periods)**						
	Basic (Rs.)	48.27	42.16	25.46	126.53	61.57	102.23
	Diluted (Rs.)	48.06	41.89	25.46	126.01	61.57	102.23

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No: 4, Old No: 2B, CPR Road, Chennai 600 018.

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SHRIRAM FINANCE LIMITED

Notes:

1 The above results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on January 31, 2023.

2 The above results include consolidated financial results of Shriram Automall India Limited, an associate and Shriram Housing Finance Limited, a subsidiary of the Group.

3 The consolidated financial results for the quarter and nine months ended December 31, 2022 have been reviewed by the Statutory Auditors.

4 The Company holds management overlay of Rs.1,651.39 crores as at December 31, 2022.

5 The Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") has approved the Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (SCL) with its Remaining undertaking with the Company and amalgamation of Shriram City Union Finance Limited (SCUF) with its entire undertaking with the Company, vide order dated November 9, 2022 to be read with Corrigendum order dated November 17, 2022 effective from Appointed date of the Scheme being April 01, 2022. Pursuant to the Scheme, the name of the Company is changed to Shriram Finance Limited upon receipt of necessary approval from the Registrar of Companies, Tamil Nadu, Chennai, Ministry of Corporate Affairs, with effect from November 30, 2022. Pursuant to the Scheme, new equity shares of face value of Rs. 10 each fully paid-up have been issued and allotted to the eligible shareholders of SCL and SCUF on December 12, 2022 as per the share exchange ratio contained in the Scheme. As per Ind AS 103,the amalgamation has been accounted under "acquisition method" read with Paragraph 45 of the said Ind AS. The difference between the purchase consideration and fair value has been accounted as goodwill on amalgamation.

6 The figures for the previous periods after the appointed date for merger (i.e. April 1, 2022) have been restated to take the effect of transferor Companies SCUF and SCL for the said periods as discussed in note 5 above and are therefore not comparable with figures of the respective previous year periods or previously reported figures for the said quarters.

7 Disclosure pertaining to RBI Master Direction - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021

a Details of transfer through assignment in respect of loans not in default during the nine months ended December 31, 2022:

Count of loans accounts assigned	35,904
Amount of loan accounts assigned (Rs. in crores)	1,587.85
Weighted average maturity (in months)	69
Weighted average holding period (in months)	11
Retention of beneficial economic interest (%)	10% - 11%
Coverage of tangible security	48% - 100%
Rating wise distribution of rated loans	Not Rated

b Details of acquired through assignment in respect of loans not in default during the nine months period ended December 31, 2022:

Count of loans accounts acquired	3,245
Amount of loan accounts acquired (Rs. in crores)	54.31
Weighted average maturity (in months)	136
Weighted average holding period (in months)	19
Retention of beneficial economic interest (%)	10% - 20%
Coverage of tangible security	48% - 142%
Rating wise distribution of rated loans	Not Rated

c **Details of stressed loans transferred during the nine months ended December 31, 2022**

Particulars	**To Asset Reconstruction Companies (ARC)**	
	NPA	**SMA**
Number of accounts	142	-
Aggregate principal outstanding of loans transferred (Rs. in crores)	19.12	-
Weighted average residual tenor of the loans transferred (in years)	12	-
Net book value of loans transferred (at the time of transfer) (Rs. in crores)	16.83	-
Aggregate consideration (Rs. in crores)	13.75	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR Road, Chennai 600 018.

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SHRIRAM FINANCE LIMITED

d The Group has not acquired any stressed loans during the nine months ended December 31, 2022.

8 The Board of Directors had declared an interim dividend of 150% i.e. Rs.15/- per equity share of face value Rs.10/- each fully paid up for the Financial Year 2022-23, amounting to Rs. 5,616,409,140 (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of interim dividend was January 4, 2023. The interim dividend was paid to eligible shareholders on January 13, 2023.

9 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Group towards Provident Fund and Gratuity. The effective date from which changes are Applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

10 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached in Annexure 1.

11 The Group's secured non-convertible debentures are secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and mortgage of immovable property and with a cover of 100% and above as per the terms of issue.

12 As on December 31, 2022 the security cover available in respect of secured non-convertible debt securities is 1.09 times. The security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 2.

13 The Company and its subsidiary Shriram Housing Finance Limited are in the business of financing and there are no separate reportable segments identified as per Ind AS 108-Operating segments.Further its associate is primarily engaged in the business of facilitation service.

14 The figures for the previous quarter / year have been regrouped/ rearranged wherever necessary to conform to the current period/ year presentation.

For Shriram Finance Limited
(formerly Shriram Transport Finance Company Limited)

Y. S. Chakravarti
Managing Director & CEO
DIN: 00052308

Place: Mumbai
Date: January 31, 2023

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No: 4, Old No: 23, CPR Road, Chennai 600 018.

KKC & associates llp Chartered Accountants

SHRIRAM FINANCE LIMITED

SHRIRAM FINANCE LIMITED

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu.

Tel. No: +91 44 4852 4666, Fax: +91 44 4852 5666. Website-www.shriramfinance.in, email-secretarial@shriramfinance.in

Annexure 1

Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine months ended December 31, 2022.

(Rs. in crores)

Sr. No.	Particulars	Consolidated					
		Quarter Ended			Nine Months Ended		Year Ended
		31.12.2022 (Unaudited)	30.09.2022 (Unaudited) Restated	31.12.2021 (Unaudited)	31.12.2022 (Unaudited)	31.12.2021 (Unaudited)	31.03.2022 (Audited)
1	Debt-Equity Ratio (times) [1]	3.72	4.00	4.42	3.72	4.42	4.39
2	Debt Service Coverage Ratio [2]	NA	NA	NA	NA	NA	NA
3	Interest Service Coverage Ratio [2]	NA	NA	NA	NA	NA	NA
4	Outstanding Redeemable Preference Shares (Quantity)	Nil	Nil	Nil	Nil	Nil	Nil
5	Outstanding Redeemable Preference Shares (value) (Rs. in crores)	Nil	Nil	Nil	Nil	Nil	Nil
6	Capital Redemption Reserve (Rs. in crores)	53.88	53.88	53.88	53.88	53.88	53.88
7	Debenture Redemption Reserve (Rs. in crores)	307.28	307.28	921.41	307.28	921.41	307.28
8	Networth [3] (Rs. in crores)	42,548.29	40,770.23	25,439.49	42,548.29	25,439.49	26,066.62
9	Net Profit After Tax (Rs. in crores)	1,801.66	1,578.57	686.02	4,731.85	1,629.87	2,721.10
10	Earnings per Equity Share (Not annualised for the interim periods)						
	Basic (Rs.)	48.27	42.16	25.46	126.53	61.57	102.23
	Diluted (Rs.)	48.06	41.89	25.46	126.01	61.57	102.23
11	Current Ratio	NA	NA	NA	NA	NA	NA
12	Long Term Debt to Working Capital	NA	NA	NA	NA	NA	NA
13	Bad Debts to Accounts Receivable Ratio	NA	NA	NA	NA	NA	NA
14	Current Liability Ratio	NA	NA	NA	NA	NA	NA
15	Total Debts [4] to Total Assets	0.78	0.79	0.81	0.78	0.81	0.80
16	Debtors Turnover	NA	NA	NA	NA	NA	NA
17	Inventory Turnover	NA	NA	NA	NA	NA	NA
18	Operating Margin (%)	NA	NA	NA	NA	NA	NA
19	Net Profit Margin (%) [5]	23.07%	20.79%	14.20%	20.99%	11.49%	14.12%
20	Sector Specific equivalent Ratios						
	Capital Adequacy Ratio (%) [6]	NA	NA	NA	NA	NA	NA
	Gross NPA Ratio (%) [7]	NA	NA	NA	NA	NA	NA
	Net NPA Ratio(%) [8]	NA	NA	NA	NA	NA	NA
	NPA Provision Coverage Ratio (%) [9]	NA	NA	NA	NA	NA	NA
	Liquidity Coverage Ratio (%) [10]	NA	NA	NA	NA	NA	NA

Note

1 Debt-Equity Ratio = (Debt securities + Borrowings (other than Debt Securities) + Deposit + Subordinated Liabilities)/ (Equity Share Capital + Other Equity).

2 The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are generally not applicable as per proviso to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3 Networth is calculated as defined in section 2(57) of Companies Act 2013.

4 Total Debts to Total Assets = (Debt securities + Borrowings (other than Debt Securities) + Deposit + Subordinated Liabilities)/ Total Assets.

5 Net Profit Margin = Net Profit After Tax/ Total Income.

6 Capital Ratio = Total Capital Funds/ Risk weighted assets, calculated as per applicable RBI guidelines.

7 Gross NPA Ratio (%) = Gross Stage 3 Loans/ Gross Loans.

8 Net NPA Ratio (%) = Net Stage 3 Loans/ (Gross Loans - ECL on Stage 3 Loans) where Net Stage 3 Loans = Gross Stage 3 Loans - ECL on Stage 3 Loans.

9 NPA Provision Coverage Ratio (%) = ECL on Stage 3 Loans/ Gross Stage 3 Loans.

10 Liquidity Coverage Ratio (LCR) is calculated as per circular no. RBI/2019-20/88DDR.NBFC.(PD) CC. No. 102/03.10.001/2019-20 dated November 04, 2019 issued by the Reserve Bank of India. As per the said circular, LCR is applicable from December 01, 2020.

11 NPA = Non-Performing Assets.

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No: 4 Old No: 21, CPR Road, Chennai 600 018.

KKC & associates LLP Chartered Accountants

SHRIRAM FINANCE LIMITED

SHRIRAM FINANCE LIMITED (formerly Shriram Transport Finance Company Limited)
CIN: L65191TN1979PLC007874
Regd. Office: Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu.
Tel. No: +91 44 4852 4666, Fax: +91 44 4852 5666. Website-www.shriramfinance.in, email-secretarial@shriramfinance.in

Annexure 2

Consolidated Security Cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rs. in crores)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Debts not backed by any assets offered as security (applicable only for liability side)	(Total C to J)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari-passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items Covered in column F)		Debt amount considered more than once (due to exclusive plus pari-passu charge			Market Value for Assets charged on Exclusive basis	Carrying/ book value for exclusive charge assets where market value is not ascertainable or applicable	Market Value for pari-passu charge Assetsviii	Carrying value/ book value for pari-passu charge assets where market value is not ascertainable or applicable	Total Value (L + M + N + O)
													Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value									
ASSETS															
Property, Plant and Equipment	Freehold Land and Building	0.01					202.59			**202.60**	0.02				**0.02**
Capital Work-in-Progress							-			-					-
Right of Use Assets							523.76			**523.76**					-
Goodwill							-			-					-
Other Intangible Assets							1,234.99			**1,234.99**					-
Intangible Assets under Development							66.08			**66.08**					-
Investments							8,256.85			**8,256.85**					-
Loans	Loans / advances given (net of provisions, NPAs and sell down portfolio)	36,383.26	98,020.59				36,653.32		-	**171,057.17**		36,383.26			**36,383.26**
Inventories							-			-					-
Trade Receivables							24.93			**24.93**					-
Cash and Cash Equivalents							9,788.35			**9,788.35**					-
Bank Balances other than Cash and Cash Equivalents							7,092.23			**7,092.23**					-
Others		50.39					5,675.28			**5,725.68**		**50.39**			**50.39**
Total		**36,433.67**	**98,020.59**	-	-	-	**69,518.38**	-	-	**203,972.63**	**0.02**	**36,433.66**	-	-	**36,433.68**

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No: 4, Old No: 23, CPR Road, Chennai 600 018.

KKC & associates LLP Chartered Accountants

SHRIRAM FINANCE LIMITED

Consolidated Security Cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rs. in crores)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Debts not backed by any assets offered as security (applicable only for liability side)	(Total C to J)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari-passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items Covered in column F)		Debt amount considered more than once (due to exclusive plus pari-passu charge			Market Value for Assets charged on Exclusive basis	Carrying/ book value for exclusive charge assets where market value is not ascertainable or applicable	Market Value for pari-passu charge Assetsviii	Carrying value/ book value for pari-passu charge assets where market value is not ascertainable or applicable	Total Value (L + M + N + O)
													Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value									
ASSETS															
LIABILITIES															-
Debt securities to which this certificate pertains		33,367.79	12,351.58	Yes			-		162.38	45,881.75					-
Other debt sharing pari-passu charge with above debt							-			-					-
Other Debt							-			-					-
Subordinated debt							-		4,635.02	4,635.02					-
Borrowings			73,663.99				-			73,663.99					-
Bank							-			-					-
Debt Securities							-			-					-
Others							34,496.12			34,496.12					-
Trade payables							319.79			319.79					-
Lease Liabilities							596.48			596.48					-
Provisions							184.02			184.02					-
Others							1,526.73			1,526.73					-
Total		**33,367.79**	**86,015.57**	-	-	-	**37,123.14**	-	**4,797.40**	**161,303.90**	-	-	-	-	-
Cover on Book Value															**1.09**
Cover on Market Valueix															
		Exclusive Security Cover Ratio	1.09		Pari-Passu Security Cover Ratio	-		-							

Notes:

1. We confirm that the Group has complied with the covenants mentioned in the disclosure documents of the Secured redeemable Non-convertible debentures for the period ended December 31, 2022.
2. The market value of Rs. 0.02 crore of the Freehold Land is on the basis of certified valuation done on May 23, 2022.

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR Road, Chennai 600 018.

kkc & associates llp Chartered Accountants

SHRIRAM FINANCE LIMITED

SHRIRAM TRANSPORT FINANCE COMPANY LIMITED

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu.

Tel. No: +91 44 4852 4666, Fax: +91 44 4852 5666. Website-www.stfc.in, email-secretarial@stfc.in

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2022

(Rs. in crores)

Sr. No.	Particulars	Quarter Ended			Half-Year Ended		Year Ended
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
	Revenue from operations						
(i)	Interest income	5,112.03	5,019.69	4,578.42	10,131.72	9,057.42	18,646.26
(ii)	Dividend income	5.35	-	-	5.35	-	-
(iii)	Rental income	0.04	0.04	0.04	0.08	0.08	0.17
(iv)	Fees and commission income	36.12	24.25	26.08	60.37	45.47	100.08
(v)	Net gain on fair value changes	81.44	53.08	71.87	134.52	105.66	221.70
(vi)	Net gain on derecognition of financial instruments under amortised cost category	55.21	28.75	-	83.96	101.26	217.74
(vii)	Others	57.38	19.00	21.45	76.38	35.81	69.22
(I)	**Total Revenue from operations**	**5,347.57**	**5,144.81**	**4,697.86**	**10,492.38**	**9,345.70**	**19,255.17**
(II)	**Other income**	**3.71**	**4.45**	**4.95**	**8.16**	**8.61**	**19.06**
(III)	**Total Income (I+II)**	**5,351.28**	**5,149.26**	**4,702.81**	**10,500.54**	**9,354.31**	**19,274.23**
	Expenses						
(i)	Finance costs	2,590.57	2,457.93	2,435.24	5,048.50	4,933.34	9,734.31
(ii)	Fees and commission expenses	30.25	18.39	44.29	48.64	62.70	91.74
(iii)	Impairment on financial instruments (Refer note 5)	672.35	805.16	676.20	1,477.51	2,115.80	3,860.86
(iv)	Employee benefits expenses	267.32	278.31	237.37	545.63	479.34	997.09
(v)	Depreciation, amortization and impairment	34.89	34.94	33.36	69.83	66.11	135.37
(vi)	Other expenses	315.20	247.65	235.70	562.85	421.68	905.61
(IV)	**Total Expenses**	**3,910.58**	**3,842.38**	**3,662.16**	**7,752.96**	**8,078.97**	**15,724.98**
(V)	**Profit before exceptional items and tax (III - IV)**	**1,440.70**	**1,306.88**	**1,040.65**	**2,747.58**	**1,275.34**	**3,549.25**
(VI)	**Exceptional items**	-	-	-	-	-	-
(VII)	**Profit before tax (V +VI)**	**1,440.70**	**1,306.88**	**1,040.65**	**2,747.58**	**1,275.34**	**3,549.25**
(VIII)	**Tax expense:**						
(1)	Current tax	518.06	532.63	315.66	1,050.69	620.24	1,112.57
(2)	Deferred tax	(144.23)	(191.02)	(46.25)	(335.25)	(286.08)	(188.93)
(3)	Tax adjustment for earlier years	-	-	-	-	-	(82.32)
(IX)	**Profit for the period (VII -VIII)**	**1,066.87**	**965.27**	**771.24**	**2,032.14**	**941.18**	**2,707.93**
(X)	**Other comprehensive income**						
(A) (i)	Items that will not be reclassified to profit or loss Remeasurement gain/(loss) on defined benefit plan	(0.40)	(9.03)	0.37	(9.43)	(3.24)	(3.24)
(ii)	Income tax relating to items that will not be reclassified to profit or loss	0.10	2.27	(0.09)	2.37	0.82	0.82
	Subtotal (A)	**(0.30)**	**(6.76)**	**0.28**	**(7.06)**	**(2.42)**	**(2.42)**
(B) (i)	Items that will be reclassified to profit or loss Cash flow hedge reserve	(33.85)	(100.89)	(12.20)	(134.74)	(24.58)	(160.87)
(ii)	Income tax relating to items that will be reclassified to profit or loss	8.52	25.39	3.07	33.91	6.19	40.49
	Subtotal (B)	**(25.33)**	**(75.50)**	**(9.13)**	**(100.83)**	**(18.39)**	**(120.38)**
	Other comprehensive income (A+B)	**(25.63)**	**(82.26)**	**(8.85)**	**(107.89)**	**(20.81)**	**(122.80)**
(XI)	**Total comprehensive income for the period (IX+X)**	**1,041.24**	**883.01**	**762.39**	**1,924.25**	**920.37**	**2,585.13**
(XII)	**Paid-up equity share capital (face value Rs. 10/- per share)**	**270.52**	**270.52**	**268.78**	**270.52**	**268.78**	**270.52**
(XIII)	**Other equity**						**25,661.67**
(XIV)	**Earnings per equity share (Not annualised for the interim periods)**						
	Basic (Rs.)	39.44	35.68	28.71	75.12	35.87	101.74
	Diluted (Rs.)	39.44	35.68	28.71	75.12	35.87	101.74

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:3, CP Road, Chennai 600 018.

KKC & ASSOCIATES LLP CHARTERED ACCOUNTANTS

SHRIRAM TRANSPORT FINANCE CO. LTD.

Notes:

1 STATEMENT OF ASSETS AND LIABILITIES

(Rs. in crores)

Sr. No.	Particulars	As at 30.09.2022 (Unaudited)	As at 31.03.2022 (Audited)
	ASSETS		
(1)	**Financial Assets**		
(a)	Cash and cash equivalents	13,338.56	10,662.44
(b)	Bank balance other than (a) above	6,207.08	5,692.72
(c)	Derivative financial instruments	955.61	201.40
(d)	Receivables		
	(I) Trade Receivables	5.84	5.35
	(II) Other Receivables	206.69	192.67
(e)	Loans	124,128.60	116,665.15
(f)	Investments	8,109.10	6,809.16
(g)	Other Financial assets	52.28	51.45
	Total financial assets	**153,003.76**	**140,280.34**
(2)	**Non-financial Assets**		
(a)	Current tax assets (Net)	233.98	228.24
(b)	Deferred tax assets (Net)	1,240.91	869.38
(c)	Investment Property	1.95	1.97
(d)	Property, Plant and Equipment	118.94	110.56
(e)	Right of use assets	314.29	302.52
(f)	Intangible assets under development	9.44	-
(g)	Other Intangible assets	2.53	3.04
(h)	Other non-financial assets	283.26	310.04
	Total non-financial assets	**2,205.30**	**1,825.75**
	Total Assets	**155,209.06**	**142,106.09**
	LIABILITIES AND EQUITY		
	LIABILITIES		
(1)	**Financial Liabilities**		
(a)	Payables		
	(I) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	0.02	0.02
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	179.49	166.01
	(II) Other Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	0.75	1.46
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.89	1.21
(b)	Debt Securities	45,767.25	41,256.55
(c)	Borrowings (Other than Debt Securities)	50,422.26	46,676.93
(d)	Deposits	24,818.78	21,948.98
(e)	Subordinated Liabilities	4,577.73	4,614.25
(f)	Lease liabilities	364.59	349.43
(g)	Other financial liabilities	768.89	859.64
	Total financial liabilities	**126,900.65**	**115,874.48**
(2)	**Non-Financial Liabilities**		
(a)	Current tax liabilities (Net)	216.64	36.82
(b)	Provisions	159.79	138.18
(c)	Other non-financial liabilities	75.54	124.42
	Total non-financial liabilities	**451.97**	**299.42**
	Total liabilities	**127,352.62**	**116,173.90**
(3)	**EQUITY**		
(a)	Equity Share Capital	270.52	270.52
(b)	Other Equity	27,585.92	25,661.67
	Total equity	**27,856.44**	**25,932.19**
	Total Liabilities and Equity	**155,209.06**	**142,106.09**

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR Road, Chennai 600 018.

KKC & ASSOCIATES LLP CHARTERED ACCOUNTANTS

SHRIRAM TRANSPORT FINANCE CO. LTD.

2 **Cash Flow Statement for the six months period ended September 30, 2022**

(Rs. in crores)

	Particulars	Half-Year Ended	
		30.09.2022 (Unaudited)	30.09.2021 (Unaudited)
A.	**Cash flow from Operating activities**		
	Profit before tax	2,747.58	1,275.34
	Depreciation, amortisation and impairment	69.83	66.11
	Interest income on loans	(9,728.47)	(8,749.41)
	Finance costs	5,048.50	4,933.34
	Loss/(profit) on sale of property plant and equipments (net)	0.49	0.33
	Impairment on loans	1,487.32	2,125.32
	Impairment on investments	(7.59)	(3.48)
	Impairment on undrawn loan commitment	(2.76)	(6.88)
	Impairment on other assets	0.54	0.84
	Net (gain)/loss on fair value changes on investment	(150.55)	(112.03)
	Net (gain)/loss on fair value changes on direct assignment	16.03	6.37
	Net gain on derecognition of financial instruments under amortised cost category	83.96	101.26
	Cash inflow from interest on loans	9,451.29	8,789.81
	Cash outflow towards finance costs	(3,544.94)	(4,356.19)
	Operating profit before working capital changes	**5,471.23**	**4,070.73**
	Movements in Working capital:		
	Decrease/(increase) in loans	(8,673.59)	(5,324.83)
	Decrease/(increase) in investments	(1,141.80)	(2,329.90)
	Decrease/(increase) in receivables	(114.48)	(178.47)
	Decrease/(increase) in bank deposits	(514.36)	54.77
	Decrease/(increase) in other financial assets	(1.37)	(3.25)
	Decrease/(increase) in other non-financial assets	26.08	(13.78)
	Increase/(decrease) in payables	13.48	7.78
	Increase/(decrease) in other financial liabilities	(90.41)	(174.13)
	Increase/(decrease) in non-financial liabilities	(48.88)	(52.87)
	Increase/(decrease) in other provision	14.94	3.88
	Cash used in operations	**(5,059.16)**	**(3,940.07)**
	Direct taxes paid (net of refunds)	(876.62)	(603.98)
	Net cash flows from/(used in) operating activities (A)	**(5,935.78)**	**(4,544.05)**
B.	**Cash flow from Investing activities**		
	Purchase of property, plant and equipment and intangible assets	(41.90)	(13.68)
	Proceeds from sale of property, plant and equipment and intangible assets	0.97	0.48
	Net cash generated from/(used in) investing activities (B)	**(40.93)**	**(13.20)**
C.	**Cash flow from Financing activities**		
	Proceeds from issue of share capital (including share premium and net of share issue expenses)	-	2,228.57
	Proceeds from issue of warrants	-	62.50
	Proceeds/(repayment) on settlement of derivative contracts	(754.21)	35.42
	Increase / (decrease) in Fixed deposits (net)	2,600.81	3,786.83
	Amount received from debt securities	5,434.30	7,324.80
	Repayment of debt securities	(1,915.39)	(10,349.98)
	Proceeds/(repayment) of subordinated debts	(115.14)	(0.17)
	Amount received from borrowings other than debt securities	24,859.26	20,551.46
	Repayment of borrowings other than debt securities	(21,396.75)	(19,508.03)
	Payment of lease liabilities	(59.70)	(55.36)
	Dividend paid	(0.34)	(312.35)
	Net cash generated from/(used in) financing activities (C)	**8,652.83**	**3,763.69**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	2,676.12	(793.56)
	Cash and cash equivalents at the beginning of the period	10,662.44	11,050.93
	Cash and cash equivalents at the end of the period	**13,338.56**	**10,257.37**

Components of cash and cash equivalents

(Rs. in crores)

	Cash and cash equivalents at the end of the period	Half-Year Ended	
		30.09.2022 (Unaudited)	30.09.2021 (Unaudited)
	i) Cash on hand	79.08	70.22
	ii) Cheques on hand	4.85	4.08
	iii) Balances with banks (of the nature of cash and cash equivalents)	4,168.70	2,896.32
	iv) Call Money (CBLO)	3,498.28	3,499.70
	v) Bank deposit with original maturity upto three months or less	5,587.65	3,787.05
	Total	**13,338.56**	**10,257.37**

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR Road, Chennai 600 018.

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SHRIRAM TRANSPORT FINANCE CO. LTD.

3 The above results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on October 20, 2022.

4 The standalone financial results for the quarter ended September 30, 2022 have been reviewed by the Statutory Auditors.

5 The significant increase in economic activities post easing of lockdown by the state governments due to COVID -19 had resulted in improvement in business operations of the Company. During the quarter, the Company has written off Loans outstanding amounting to Rs. 95.09 crores by utilising the ECL provision created as management overlay on account of COVID -19. The ECL provision of Rs. 1,741.30 crores is retained by the company as at September 30, 2022 towards management overlay on account of COVID-19.

6 The Board of Directors of the Company in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Company has obtained approvals/no objection to the Scheme from various statutory authorities, as applicable. The Company Petition filed before the Hon'ble National Company Law Tribunal, Chennai Bench for sanction of the Scheme was listed for final hearing on October 19, 2022 which was heard and the order is awaited.

7 The Company invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans were based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020 and May 5, 2021.

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated May 05, 2021 :

(Rs. in crores)

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half- year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans #	770.01	36.09	0.52	147.53	585.88
Corporate persons*	-	-	-	-	
Of which, MSMEs	-	-	-	-	
Others	-	-	-	-	
Total	**770.01**	**36.09**	**0.52**	**147.53**	**585.88**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

pertains to automobile loans

8 Disclosure pertaining to RBI Master Direction - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021

a Details of transfer through assignment in respect of loans not in default during the half-year ended September 30, 2022:

Count of loans accounts assigned	19,047
Amount of loan accounts assigned (Rs. in crores)	720.13
Weighted average maturity (in months)	40.00
Weighted average holding period (in months)	10.13
Retention of beneficial economic interest (%)	10.00%
Coverage of tangible security	100.00%
Rating wise distribution of rated loans	Not Rated

b The Company has not acquired any loans (not in default) through assignment during the half-year ended September 30, 2022.

c The Company has neither acquired nor transferred any stressed loans during the half-year ended September 30, 2022.

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9 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

10 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached in Annexure 1.

11 The Company's secured non-convertible debentures are secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and mortgage of immovable property and with a cover of 100% and above as per the terms of issue.

12 As on September 30, 2022 the security cover available in respect of secured non-convertible debt securities is 1.04 times. The security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 2.

13 The Reserve Bank of India, under Scale Based Regulations (SBR) has categorised the Company in Upper Layer (NBFC-UL) vide its circular dated September 30, 2022. The Company is in the process of framing Board approved policy/ implementing plan for adhering to Scale Based Regulatory framework as per the prescribed timelines.

14 The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Operating segments.

15 The figures for the previous quarter / year have been regrouped/ rearranged wherever necessary to conform to the current period/ year presentation.

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR Road, Chennai 600 018.

KKC & ASSOCIATES LLP CHARTERED ACCOUNTANTS

By order of the Board
For Shriram Transport Finance Company Limited

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189

Place: Mumbai
Date: October 20, 2022

SHRIRAM TRANSPORT FINANCE CO. LTD.

SHRIRAM TRANSPORT FINANCE COMPANY LIMITED

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu.

Tel. No: +91 44 4852 4666, Fax: +91 44 4852 5666. Website-www.stfc.in, email-secretarial@stfc.in

Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Annexure 1

(Rs. in crores)

Sr. No.	Particulars	Standalone					
		Quarter Ended			Half-Year Ended		Year Ended
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
1	Debt -equity Ratio (times) [1]	4.51	4.45	4.41	4.51	4.41	4.42
2	Debt Service Coverage Ratio [2]	NA	NA	NA	NA	NA	NA
3	Interest Service Coverage Ratio [2]	NA	NA	NA	NA	NA	NA
4	Outstanding Redeemable Preference Shares (Quantity)	Nil	Nil	Nil	Nil	Nil	Nil
5	Outstanding Redeemable Preference Shares (value) (Rs. in crores)	Nil	Nil	Nil	Nil	Nil	Nil
6	Capital Redemption reserve (Rs. in crore)	53.88	53.88	53.88	53.88	53.88	53.88
7	Debenture redemption reserve (Rs. in crore)	307.28	307.28	921.41	307.28	921.41	307.28
8	Networth [3] (Rs. in crores)	27,828.80	26,787.56	24,591.94	27,828.80	24,591.94	25,904.55
9	Net profit after tax (Rs. in crores)	1,066.87	965.27	771.24	2,032.14	941.18	2,707.93
10	Earnings per equity share (Not annualised for the interim periods)						
	Basic (Rs.)	39.44	35.68	28.71	75.12	35.87	101.74
	Diluted (Rs.)	39.44	35.68	28.71	75.12	35.87	101.74
11	Current Ratio	NA	NA	NA	NA	NA	NA
12	Long Term Debt to Working Capital	NA	NA	NA	NA	NA	NA
13	Bad Debts to Accounts Receivable Ratio	NA	NA	NA	NA	NA	NA
14	Current Liability Ratio	NA	NA	NA	NA	NA	NA
15	Total Debts [4] to Total Assets	0.81	0.81	0.81	0.81	0.81	0.81
16	Debtors Turnover	NA	NA	NA	NA	NA	NA
17	Inventory Turnover	NA	NA	NA	NA	NA	NA
18	Operating Margin (%)	NA	NA	NA	NA	NA	NA
19	Net Profit Margin (%) [5]	19.94%	18.75%	16.40%	19.35%	10.06%	14.05%
20	Sector Specific equivalent ratios						
	Capital adequacy Ratio (%) [6]	22.48%	22.54%	23.21%	22.48%	23.21%	22.97%
	Gross NPA ratio (%) [7]	6.93%	7.00%	7.82%	6.93%	7.82%	7.07%
	Net NPA ratio(%) [8]	3.48%	3.52%	4.18%	3.48%	4.18%	3.67%
	NPA Provision Coverage ratio (%) [9]	51.57%	51.62%	48.57%	51.57%	48.57%	49.97%
	Liquidity coverage ratio (%) [10]	188.11%	191.99%	161.69%	188.11%	161.69%	148.70%

Note

1 Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Deposit + Subordinated liabilities)/(Equity Share capital + Other equity)

2 The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are generally not applicable as per proviso to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3 Networth is calculated as defined in section 2(57) of Companies Act 2013.

4 Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Deposit + Subordinated liabilities)/ Total assets.

5 Net profit margin = Net profit after tax/ Total Income.

6 Capital ratio = Total Capital funds/ Risk weighted assets, calculated as per applicable RBI guidelines.

7 Gross NPA ratio (%) = Gross stage 3 loans/Gross Loans.

8 Net NPA ratio (%) = Net stage 3 loans/(Gross loans - ECL on stage 3 loans) where Net stage 3 loans = Gross stage 3 loans - ECL on stage 3 loans.

9 NPA Provision coverage ratio (%) = ECL on stage 3 loans/ Gross stage 3 loans.

10 Liquidity Coverage Ratio (LCR) is calculated as per circular no. RBI/2019-20/88DDR.NBFC.(PD) CC. No. 102/03.10.001/2019-20 dated November 04, 2019 issued by the Reserve Bank of India. As per the said circular, LCR is applicable from December 1, 2020.

11 NPA = Non-performing Assets.

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR Road, Chennai 600 018.

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SHRIRAM TRANSPORT FINANCE CO. LTD.

Sundaram & Srinivasan
Chartered Accountants
23 C P Ramaswamy Road
Alwarpet,
Chennai 600018

KKC & Associates LLP
Chartered Accountants
Level-19, Sunshine Tower,
Senapati Bapat Marg,
Elphinstone Road,
Mumbai, Maharashtra 400013

Independent Auditor's review report on unaudited standalone quarterly financial results of Shriram Transport Finance Company Limited under Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Shriram Transport Finance Company Limited

Introduction

1. We have reviewed the accompanying statement of unaudited standalone financial results of Shriram Transport Finance Company Limited ('the Company') for the quarter ended 30 September 2022 and year to date results for the period from 1 April 2022 to 30 September 2022 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ('Ind AS') 34 'Interim Financial Reporting' specified in section 133 of the Companies Act, 2013, the circulars, guidelines and directions issued by Reserve Bank of India ('RBI') from time to time ('RBI guidelines') and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

3. We conducted our review in accordance with the Standard on Review Engagements ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

SUNDARAM & SRINIVASAN * CHARTERED ACCOUNTANTS * New No:4, Old No:23, C.P. Road, Chennai 600 018.

KKC & ASSOCIATES LLP CHARTERED ACCOUNTANTS

Sundaram & Srinivasan
Chartered Accountants
23 C P Ramaswamy Road
Alwarpet,
Chennai 600018

KKC & Associates LLP
Chartered Accountants
Level-19, Sunshine Tower,
Senapati Bapat Marg,
Elphinstone Road,
Mumbai, Maharashtra 400013

Conclusion

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Ind AS and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number - 004207S.

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, C.P. Road, Chennai 600 018.

P Menakshi Sundaram
Partner
ICAI Membership Number: 217914
UDIN: 22217914BAJDHF6251
Place: Mumbai
Date: 20 October 2022

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

KKC & ASSOCIATES LLP CHARTERED ACCOUNTANTS

Gautam Shah
Partner
ICAI Membership Number: 117348
UDIN: 22117348BAJFVY9292
Place: Mumbai
Date: 20 October 2022

SHRIRAM TRANSPORT FINANCE COMPANY LIMITED

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu.

Tel. No: +91 44 4852 4666, Fax: +91 44 4852 5666. Website-www.stfc.in, email-secretarial@stfc.in

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2022

(Rs. in crores)

Sr. No.	Particulars	Quarter Ended			Half-Year Ended		Year Ended
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
	Revenue from operations						
(i)	Interest income	5,112.03	5,019.69	4,578.42	10,131.72	9,057.42	18,646.26
(ii)	Dividend income	5.35	-	-	5.35	-	-
(iii)	Rental income	0.04	0.04	0.04	0.08	0.08	0.17
(iv)	Fees and commission income	36.12	24.25	26.08	60.37	45.47	100.08
(v)	Net gain on fair value changes	81.44	53.08	71.87	134.52	105.66	221.70
(vi)	Net gain on derecognition of financial instruments under amortised cost category	55.21	28.75	-	83.96	101.26	217.74
(vii)	Others	57.38	19.00	21.45	76.38	35.81	69.22
(I)	**Total Revenue from operations**	**5,347.57**	**5,144.81**	**4,697.86**	**10,492.38**	**9,345.70**	**19,255.17**
(II)	**Other income**	**3.71**	**4.45**	**4.95**	**8.16**	**8.61**	**19.06**
(III)	**Total Income (I+II)**	**5,351.28**	**5,149.26**	**4,702.81**	**10,500.54**	**9,354.31**	**19,274.23**
	Expenses						
(i)	Finance costs	2,590.57	2,457.93	2,435.24	5,048.50	4,933.34	9,734.31
(ii)	Fees and commission expenses	30.25	18.39	44.29	48.64	62.70	91.74
(iii)	Impairment on financial instruments (Refer note 6)	672.35	805.16	676.20	1,477.51	2,115.80	3,860.86
(iv)	Employee benefits expenses	267.32	278.31	237.37	545.63	479.34	997.09
(v)	Depreciation, amortization and impairment	34.89	34.94	33.36	69.83	66.11	135.37
(vi)	Other expenses	315.20	247.65	235.70	562.85	421.68	905.61
(IV)	**Total Expenses**	**3,910.58**	**3,842.38**	**3,662.16**	**7,752.96**	**8,078.97**	**15,724.98**
(V)	**Profit before exceptional items and tax (III - IV)**	**1,440.70**	**1,306.88**	**1,040.65**	**2,747.58**	**1,275.34**	**3,549.25**
(VI)	**Exceptional items**	**-**	**-**	**-**	**-**	**-**	**-**
(VII)	**Profit before tax (V +VI)**	**1,440.70**	**1,306.88**	**1,040.65**	**2,747.58**	**1,275.34**	**3,549.25**
(VIII)	**Tax expense:**						
(1)	Current tax	518.06	532.63	315.66	1,050.69	620.24	1,112.57
(2)	Deferred tax	(144.23)	(191.02)	(46.25)	(335.25)	(286.08)	(188.93)
(3)	Tax adjustment for earlier years	-	-	-	-	-	(82.32)
(IX)	**Profit for the period (VII -VIII)**	**1,066.87**	**965.27**	**771.24**	**2,032.14**	**941.18**	**2,707.93**
(X)	**Share of Profit/(loss) of associate**	**2.65**	**1.25**	**2.86**	**3.90**	**2.67**	**13.17**
(XI)	**Minority interest**	**-**	**-**	**-**	**-**	**-**	**-**
(XII)	**Net Profit after taxes, minority interest and share of profit/ (loss) of associate (IX+X+XI)**	**1,069.52**	**966.52**	**774.10**	**2,036.04**	**943.85**	**2,721.10**
(XIII)	**Other comprehensive income**						
(A) (i)	Items that will not be reclassified to profit or loss Remeasurement gain/(loss) on defined benefit plan	(0.40)	(9.03)	0.37	(9.43)	(3.24)	(3.24)
(ii)	Income tax relating to items that will not be reclassified to profit or loss	0.10	2.27	(0.09)	2.37	0.82	0.82
(iii)	Share in Other comprehensive income of Associate (net of tax)	0.01	(0.13)	-	(0.12)	(0.08)	(0.02)
	Subtotal (A)	**(0.29)**	**(6.89)**	**0.28**	**(7.18)**	**(2.50)**	**(2.44)**
(B) (i)	Items that will be reclassified to profit or loss Cash flow hedge reserve	(33.85)	(100.89)	(12.20)	(134.74)	(24.58)	(160.87)
(ii)	Income tax relating to items that will be reclassified to profit or loss	8.52	25.39	3.07	33.91	6.19	40.49
	Subtotal (B)	**(25.33)**	**(75.50)**	**(9.13)**	**(100.83)**	**(18.39)**	**(120.38)**
	Other comprehensive income (A+B)	**(25.62)**	**(82.39)**	**(8.85)**	**(108.01)**	**(20.89)**	**(122.82)**
(XIV)	**Total comprehensive income for the period (XII+XIII)**	**1,043.90**	**884.13**	**765.25**	**1,928.03**	**922.96**	**2,598.28**
(XV)	**Paid-up equity share capital (face value Rs. 10/- per share)**	**270.52**	**270.52**	**268.78**	**270.52**	**268.78**	**270.52**
(XVI)	**Other equity**						**25,823.74**
(XVII)	**Earnings per equity share (Not annualised for the interim periods)**						
	Basic (Rs.)	39.54	35.73	28.81	75.26	35.98	102.23
	Diluted (Rs.)	39.54	35.73	28.81	75.26	35.98	102.23

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No: 4, Old No: 3, CPR Road, Chennai 600 018.

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SHRIRAM TRANSPORT FINANCE CO. LTD.

Notes:

1 STATEMENT OF ASSETS AND LIABILITIES

(Rs. in crores)

Sr. No.	Particulars	As at 30.09.2022 (Unaudited)	As at 31.03.2022 (Audited)
	ASSETS		
(1)	**Financial Assets**		
(a)	Cash and cash equivalents	13,338.56	10,662.44
(b)	Bank balance other than (a) above	6,207.08	5,692.72
(c)	Derivative financial instruments	955.61	201.40
(d)	Receivables		
	(I) Trade Receivables	5.84	5.35
	(II) Other Receivables	206.69	192.67
(e)	Loans	124,128.60	116,665.15
(f)	Investments	8,274.95	6,971.23
(g)	Other Financial assets	52.28	51.45
	Total financial assets	**153,169.61**	**140,442.41**
(2)	**Non-financial Assets**		
(a)	Current tax assets (Net)	233.98	228.24
(b)	Deferred tax assets (Net)	1,240.91	869.38
(c)	Investment Property	1.95	1.97
(d)	Property, Plant and Equipment	118.94	110.56
(e)	Right of use assets	314.29	302.52
(f)	Intangible assets under development	9.44	-
(g)	Other Intangible assets	2.53	3.04
(h)	Other non-financial assets	283.26	310.04
	Total non-financial assets	**2,205.30**	**1,825.75**
	Total Assets	**155,374.91**	**142,268.16**
	LIABILITIES AND EQUITY		
	LIABILITIES		
(1)	**Financial Liabilities**		
(a)	Payables		
	(I) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	0.02	0.02
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	179.49	166.01
	(II) Other Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	0.75	1.46
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.89	1.21
(b)	Debt Securities	45,767.25	41,256.55
(c)	Borrowings (Other than Debt Securities)	50,422.26	46,676.93
(d)	Deposits	24,818.78	21,948.98
(e)	Subordinated Liabilities	4,577.73	4,614.25
(f)	Lease liabilities	364.59	349.43
(g)	Other financial liabilities	768.89	859.64
	Total financial liabilities	**126,900.65**	**115,874.48**
(2)	**Non-Financial Liabilities**		
(a)	Current tax liabilities (Net)	216.64	36.82
(b)	Provisions	159.79	138.18
(c)	Other non-financial liabilities	75.54	124.42
	Total non-financial liabilities	**451.97**	**299.42**
	Total liabilities	**127,352.62**	**116,173.90**
(3)	**EQUITY**		
(a)	Equity Share Capital	270.52	270.52
(b)	Other Equity	27,751.77	25,823.74
	Total equity	**28,022.29**	**26,094.26**
	Total Liabilities and Equity	**155,374.91**	**142,268.16**

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, Chennai 600 018.

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SHRIRAM TRANSPORT FINANCE CO. LTD.

2 **Consolidated Cash Flow Statement for the six months period ended September 30, 2022**

(Rs. in crores)

Particulars	Half-Year Ended	
	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)
A. Cash flow from Operating activities		
Profit before tax	2,747.58	1,275.34
Depreciation, amortisation and impairment	69.83	66.11
Interest income on loans	(9,728.47)	(8,749.41)
Finance costs	5,048.50	4,933.34
Loss/(profit) on sale of property plant and equipments (net)	0.49	0.33
Impairment on loans	1,487.32	2,125.32
Impairment on investments	(7.59)	(3.48)
Impairment on undrawn loan commitment	(2.76)	(6.88)
Impairment on other assets	0.54	0.84
Net (gain)/loss on fair value changes on investment	(150.55)	(112.03)
Net (gain)/loss on fair value changes on direct assignment	16.03	6.37
Net gain on derecognition of financial instruments under amortised cost category	83.96	101.26
Cash inflow from interest on loans	9,451.29	8,789.81
Cash outflow towards finance costs	(3,544.94)	(4,356.19)
Operating profit before working capital changes	**5,471.23**	**4,070.73**
Movements in Working capital:		
Decrease/(increase) in loans	(8,673.59)	(5,324.83)
Decrease/(increase) in investments	(1,141.80)	(2,329.90)
Decrease/(increase) in receivables	(114.48)	(178.47)
Decrease/(increase) in bank deposits	(514.36)	54.77
Decrease/(increase) in other financial assets	(1.37)	(3.25)
Decrease/(increase) in other non-financial assets	26.08	(13.78)
Increase/(decrease) in payables	13.48	7.78
Increase/(decrease) in other financial liabilities	(90.41)	(174.13)
Increase/(decrease) in non-financial liabilities	(48.88)	(52.87)
Increase/(decrease) in other provision	14.94	3.88
Cash used in operations	**(5,059.16)**	**(3,940.07)**
Direct taxes paid (net of refunds)	(876.62)	(603.98)
Net cash flows from/(used in) operating activities (A)	**(5,935.78)**	**(4,544.05)**
B. Cash flow from Investing activities		
Purchase of property, plant and equipment and intangible assets	(41.90)	(13.68)
Proceeds from sale of property, plant and equipment and intangible assets	0.97	0.48
Net cash generated from/(used in) investing activities (B)	**(40.93)**	**(13.20)**
C. Cash flow from Financing activities		
Proceeds from issue of share capital (including share premium and net of share issue expenses)	-	2,228.57
Proceeds from issue of warrants	-	62.50
Proceeds/(repayment) on settlement of derivative contracts	(754.21)	35.42
Increase / (decrease) in Fixed deposits (net)	2,600.81	3,786.83
Amount received from debt securities	5,434.30	7,324.80
Repayment of debt securities	(1,915.39)	(10,349.98)
Proceeds/(repayment) of subordinated debts	(115.14)	(0.17)
Amount received from borrowings other than debt securities	24,859.26	20,551.46
Repayment of borrowings other than debt securities	(21,396.75)	(19,508.03)
Payment of lease liabilities	(59.70)	(55.36)
Dividend paid	(0.34)	(312.35)
Net cash generated from/(used in) financing activities (C)	**8,652.83**	**3,763.69**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	2,676.12	(793.56)
Cash and cash equivalents at the beginning of the period	10,662.44	11,050.93
Cash and cash equivalents at the end of the period	**13,338.56**	**10,257.37**

Components of cash and cash equivalents

(Rs. in crores)

Cash and cash equivalents at the end of the period	Half-Year Ended	
	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)
i) Cash on hand	79.08	70.22
ii) Cheques on hand	4.85	4.08
iii) Balances with banks (of the nature of cash and cash equivalents)	4,168.70	2,896.32
iv) Call Money (CBLO)	3,498.28	3,499.70
v) Bank deposit with original maturity upto three months or less	5,587.65	3,787.05
Total	**13,338.56**	**10,257.37**

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, Cathedral Road, Chennai 600 018.

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SHRIRAM TRANSPORT FINANCE CO. LTD.

3 The above results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on October 20, 2022.

4 The above results include consolidated financial results of Shriram Automall India Limited, an associate of the Company.

5 The consolidated financial results for the quarter ended September 30, 2022 have been reviewed by the Statutory Auditors.

6 The significant increase in economic activities post easing of lockdown by the state governments due to COVID -19 had resulted in improvement in business operations of the Company. During the quarter, the Company has written off Loans outstanding amounting to Rs. 95.09 crores by utilising the ECL provision created as management overlay on account of COVID -19. The ECL provision of Rs. 1,741.30 crores is retained by the company as at September 30, 2022 towards management overlay on account of COVID-19.

7 The Board of Directors of the Company in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Company has obtained approvals/no objection to the Scheme from various statutory authorities, as applicable. The Company Petition filed before the Hon'ble National Company Law Tribunal, Chennai Bench for sanction of the Scheme was listed for final hearing on October 19, 2022 which was heard and the order is awaited.

8 The Company invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans were based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020 and May 5, 2021.

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated May 05, 2021 :

(Rs. in crores)

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half- year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans #	770.01	36.09	0.52	147.53	585.88
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**770.01**	**36.09**	**0.52**	**147.53**	**585.88**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

pertains to automobile loans

9 Disclosure pertaining to RBI Master Direction - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021

a Details of transfer through assignment in respect of loans not in default during the half-year ended September 30, 2022:

Count of loans accounts assigned	19,047
Amount of loan accounts assigned (Rs. in crores)	720.13
Weighted average maturity (in months)	40.00
Weighted average holding period (in months)	10.13
Retention of beneficial economic interest (%)	10.00%
Coverage of tangible security	100.00%
Rating wise distribution of rated loans	Not Rated

b The Company has not acquired any loans (not in default) through assignment during the half-year ended September 30, 2022.

c The Company has neither acquired nor transferred any stressed loans during the half-year ended September 30, 2022.

SHRIRAM TRANSPORT FINANCE CO. LTD.

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR Road, Chennai 600 018.

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10 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

11 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached in Annexure 1.

12 The Company's secured non-convertible debentures are secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and mortgage of immovable property and with a cover of 100% and above as per the terms of issue.

13 As on September 30, 2022 the security cover available in respect of secured non-convertible debt securities is 1.04 times. The security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 2.

14 The Reserve Bank of India, under Scale Based Regulations (SBR) has categorised the Company in Upper Layer (NBFC-UL) vide its circular dated September 30, 2022. The Company is in the process of framing Board approved policy/ implementing plan for adhering to Scale Based Regulatory framework as per the prescribed timelines.

15 The Company operates in a single reporting segment i.e. financing. Its associate is primarily engaged in the business of facilitation service. Since, it does not meet the quantitative thresholds laid down under the Ind AS 108 – "Operating segments" for reportable segments, it has not been considered for segment reporting.

16 The figures for the previous quarter / year have been regrouped/ rearranged wherever necessary to conform to the current period/ year presentation.

By order of the Board
For Shriram Transport Finance Company Limited

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189

Place: Mumbai
Date: October 20, 2022

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, Chennai 600 018.

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SHRIRAM TRANSPORT FINANCE CO. LTD.

SHRIRAM TRANSPORT FINANCE COMPANY LIMITED

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu.

Tel. No: +91 44 4852 4666, Fax: +91 44 4852 5666. Website-www.stfc.in, email-secretarial@stfc.in

Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Annexure 1

(Rs. in crores)

Sr. No.	Particulars	Consolidated					
		Quarter Ended			Half-Year Ended		Year Ended
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
1	Debt -equity Ratio (times) [1]	4.48	4.42	4.38	4.48	4.38	4.39
2	Debt Service Coverage Ratio [2]	NA	NA	NA	NA	NA	NA
3	Interest Service Coverage Ratio [2]	NA	NA	NA	NA	NA	NA
4	Outstanding Redeemable Preference Shares (Quantity)	Nil	Nil	Nil	Nil	Nil	Nil
5	Outstanding Redeemable Preference Shares (value) (Rs. in crores)	Nil	Nil	Nil	Nil	Nil	Nil
6	Capital Redemption reserve (Rs. in crores)	53.88	53.88	53.88	53.88	53.88	53.88
7	Debenture redemption reserve (Rs. in crores)	307.28	307.28	921.41	307.28	921.41	307.28
8	Networth [3] (Rs. in crores)	27,994.65	26,950.75	24,743.45	27,994.65	24,743.45	26,066.62
9	Net profit after tax (Rs. in crores)	1,069.52	966.52	774.10	2,036.04	943.85	2,721.10
10	Earnings per equity share (Not annualised for the interim periods)						
	Basic (Rs.)	39.54	35.73	28.81	75.26	35.98	102.23
	Diluted (Rs.)	39.54	35.73	28.81	75.26	35.98	102.23
11	Current Ratio	NA	NA	NA	NA	NA	NA
12	Long Term Debt to Working Capital	NA	NA	NA	NA	NA	NA
13	Bad Debts to Accounts Receivable Ratio	NA	NA	NA	NA	NA	NA
14	Current Liability Ratio	NA	NA	NA	NA	NA	NA
15	Total Debts [4] to Total Assets	0.81	0.81	0.80	0.81	0.80	0.80
16	Debtors Turnover	NA	NA	NA	NA	NA	NA
17	Inventory Turnover	NA	NA	NA	NA	NA	NA
18	Operating Margin (%)	NA	NA	NA	NA	NA	NA
19	Net Profit Margin (%) [5]	19.99%	18.77%	16.46%	19.39%	10.09%	14.12%
20	Sector Specific equivalent ratios						
	Capital adequacy Ratio (%) [6]	NA	NA	NA	NA	NA	NA
	Gross NPA ratio (%) [7]	NA	NA	NA	NA	NA	NA
	Net NPA ratio(%) [8]	NA	NA	NA	NA	NA	NA
	NPA Provision Coverage ratio (%) [9]	NA	NA	NA	NA	NA	NA
	Liquidity coverage ratio (%) [10]	NA	NA	NA	NA	NA	NA

Note

1 Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Deposit + Subordinated liabilities)/(Equity Share capital + Other equity)

2 The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are generally not applicable as per proviso to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3 Networth is calculated as defined in section 2(57) of Companies Act 2013.

4 Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Deposit + Subordinated liabilities)/ Total assets.

5 Net profit margin = Net profit after tax/ Total Income.

6 Capital ratio = Total Capital funds/ Risk weighted assets, calculated as per applicable RBI guidelines.

7 Gross NPA ratio (%) = Gross stage 3 loans/Gross Loans.

8 Net NPA ratio (%) = Net stage 3 loans/(Gross loans - ECL on stage 3 loans) where Net stage 3 loans = Gross stage 3 loans - ECL on stage 3 loans.

9 NPA Provision coverage ratio (%) = ECL on stage 3 loans/ Gross stage 3 loans.

10 Liquidity Coverage Ratio (LCR) is calculated as per circular no. RBI/2019-20/88DDR.NBFC.(PD) CC. No. 102/03.10.001/2019-20 dated November 04, 2019 issued by the Reserve Bank of India. As per the said circular, LCR is applicable from December 1, 2020.

11 NPA = Non-performing Assets.

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR Road, Chennai 600 018.

KKC & ASSOCIATES LLP CHARTERED ACCOUNTANTS

SHRIRAM TRANSPORT FINANCE CO. LTD.

Sundaram & Srinivasan
Chartered Accountants
23 C P Ramaswamy Road
Alwarpet,
Chennai 600018

KKC & Associates LLP
Chartered Accountants
Level-19, Sunshine Tower,
Senapati Bapat Marg,
Elphinstone Road,
Mumbai, Maharashtra 400013

Independent Auditor's review report on unaudited consolidated quarterly financial results of Shriram Transport Finance Company Limited under Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Shriram Transport Finance Company Limited

Introduction

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Shriram Transport Finance Company Limited ('the Parent' or 'the Company') and its share of the net profit after tax and total comprehensive income of its associate for the quarter ended 30 September 2022 and year to date results for the period from 1 April 2022 to 30 September 2022 ('the Statement'), being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ('Ind AS') 34 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 and, the circulars, guidelines and directions issued by Reserve Bank of India ('RBI') from time to time ('RBI guidelines') other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

3. We conducted our review in accordance with the Standard on Review Engagements ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular Issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

4. The Statement includes the result of the following entities:

Name of the entity	Relationship
Shriram Transport Finance Company Limited	Parent
Shriram Automall India Limited	Associate

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CP Road, Chennai 600 018.

KKC & ASSOCIATES LLP CHARTERED ACCOUNTANTS

Sundaram & Srinivasan
Chartered Accountants
23 C P Ramaswamy Road
Alwarpet,
Chennai 600018

KKC & Associates LLP
Chartered Accountants
Level-19, Sunshine Tower,
Senapati Bapat Marg,
Elphinstone Road,
Mumbai, Maharashtra 400013

Conclusion

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Ind AS and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Other Matters

6. The Statement includes the Parent's share of net profit after tax of Rs. 2.65 crores and Rs. 3.90 crores and total comprehensive income of Rs.2.66 crores and Rs.3.78 crores for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022, respectively, as considered in the Statement, in respect of one associate, whose financial results have not been reviewed by us. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these associate, is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matter.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number - 004207S

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No:4, Old No:23, CPR Road, Chennai 600 018.

P Menakshi Sundaram
Partner
ICAI Membership Number: 217914
UDIN: 22217914BAJDGF4879
Place: Mumbai
Date: 20 October 2022

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Gautam Shah
Partner
ICAI Membership Number: 117348
UDIN: 22117348BAJFYV8745
Place: Mumbai
Date: 20 October 2022

KKC & ASSOCIATES LLP CHARTERED ACCOUNTANTS